CITY OF PATERSON

NEW JERSEY

REPORT OF AUDIT

FOR THE YEARS ENDED

JUNE 30, 2013 AND 2012

DONOHUE, GIRONDA & DORIA
Certified Public Accountants
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CITY OF PATERSON
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REPORT OF AUDIT

FINANCIAL SECTION

City of Paterson
FY 2013

DONOHUE, GIRONDA & DORIA
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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 account group as of June 30, 2013 and 2012, 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, 2013 and 2012, or the changes in its financial position for the years then ended.

Unmodified Opinion on Regulatory Basis Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each fund and account group of the City as of June 30, 2013 and 2012, 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 2013 and 2014 budget.

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 04-04, *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 May 5, 2014, 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
May 5, 2014

REPORT OF AUDIT

FINANCIAL SECTION

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

City of Paterson
FY 2013

CITY OF PATERSON
CURRENT FUND
AS OF JUNE 30, 2013 AND 2012

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2013	2012
Assets			
Current Fund:			
Cash and Cash Equivalents	A-4	$ 14,895,328	$ 11,083,435
Change Fund	A-6	685	685
		14,896,013	11,084,120
Intergovernmental Receivables:			
Due from State of NJ -			
Sr. Citizens' and Veterans' Deductions	A-8	158,625	145,750
Receivables and Other Assets with Full Reserves:			
Property Taxes Receivable	A-7	39,397	179,045
Tax Title Liens Receivable	A-9	9,933,237	7,998,200
Sewer Charges Receivable	A-10	450,041	311,420
Sewer Liens Receivable	A-11	958,665	763,573
Demolition Liens Receivable	A-12	746,175	607,885
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	17,259,875	14,992,483
Deferrred Charges			
Revaluation		2,100,000	-
Cash Deficit of Preceding Year		-	3,726,675
Special Emergency - Accrued Sick and Vacation		6,960,000	6,064,000
	A-16	9,060,000	9,790,675
Total Current Fund Assets		41,374,513	36,013,028
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-4	930,677	1,599,492
Federal and State Grants Receivable	A-34	25,076,657	24,463,769
Total Federal and State Grant Fund Assets		26,007,334	26,063,261
Total Assets		$ 67,381,847	$ 62,076,289

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
AS OF JUNE 30, 2013 AND 2012

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2013	2012
Liabilities and Reserves			
Current Fund:			
Appropriation Reserves	A-3, A-18	$ 2,009,711	$ 2,863,902
Requisitions and Accounts Payable	A-19	6,734,076	7,918,539
Prepaid Taxes	A-20	129,230	124,390
Tax Overpayments	A-21	1,939,969	2,072,232
Property Tax Suspense	A-22	22,948	82,250
Prepaid Sewers	A-23	3,492	23,618
Sewer Overpayments	A-24	82,723	89,485
County Tax Payable	A-26	-	76,183
Special Emergency Notes Payable	A-27	9,060,000	6,064,000
Reserve for:			
Accrued Sick and Vacation Time	A-28	525,837	973,724
Deposits on Sale of City Property	A-29	6,250	6,250
State Library Aid	A-30	54,987	20,079
Library Fines and Donations	A-31	4,166	98,692
ABC License Surcharge	A-32	206,800	180,000
State Tax Appeals	A-33	500,000	200,000
Revaluation	A-34	2,099,600	-
		23,379,789	20,793,344
Reserve for Receivables and Other Assets	sheet 1	17,259,875	14,992,483
Fund Balance	A-1	734,849	227,201
Total Current Fund Liabilities, Reserves and Fund Balance		41,374,513	36,013,028
Federal and State Grant Fund:			
Requisitions and Accounts Payable	A-36	7,402,782	3,104,855
Reserve for:			
Federal and State Grants - Appropriated	A-38	18,520,389	22,905,864
Federal and State Grants - Unappropriated	A-39	19,948	44,558
Grant Match	A-40	-	6,000
Grant Overpaymentss	A-41	64,215	1,984
Total Federal and State Grant Fund Liabilities and Reserves		26,007,334	26,063,261
Total Liabilities, Reserves and Fund Balance		$ 67,381,847	$ 62,076,289

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

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

	Ref.	2013	2012
Revenue and Other Income Realized:			
Miscellaneous Revenue Anticipated	A-2a	$ 97,395,521	$ 101,651,096
Receipts from Delinquent Taxes	A-2a	2,521,065	1,513,365
Receipts from Current Taxes (net of State Appeals Reserved)	A-2a	210,293,532	215,503,086
Non-Budget Revenues	A-2b	1,287,969	1,550,840
Other Credits to Income:			
Unexpended Appropriation Reserves	A-18	583,982	1,016,551
Cancellation of Accounts Payable	A-19	221,635	75,686
Credit Write-Offs:			
Current Taxes	A-2a	156	-
Delinquent Taxes	A-7	22	-
Sewer Charges	A-10	827	-
Interfunds Charged to Operations	A-17	73,315	-
Prepaid Taxes Refunded	A-20	206	-
Other Reserves	A-22	2,121	-
Sewer Overpayments Cancelled	A-24	2,480	-
		312,382,831	321,310,624
Expenditures			
Budgetary and Emergency Appropriations:			
Appropriations within "CAPS"			
Operations			
Salaries and Wages		90,582,379	93,331,208
Other Expenses		73,017,014	71,829,023
Emergency Appropriations		4,370,000	2,840,000
Deferred Charges and Statutory Expenditures		26,966,657	25,891,870
Appropriations Excluded from "CAPS"			
Operations			
Salaries and Wages		1,269,521	3,226,694
Other Expenses		28,544,652	31,965,994
Capital Improvements		340,000	500,000
Municipal Debt Service		7,333,209	6,638,312
Deferred Charges		1,415,917	2,047,917
Judgments		25,000	308,196
Type 1 School District Debt		622,962	629,629
	A-3a	234,487,311	239,208,843
Local District School Tax	A-25	39,360,759	39,257,403
County Taxes	A-26	39,869,872	47,809,103
Amount Due County for Added and Omitted Taxes	A-26	43,780	-
Refund of Prior Year's Revenue	A-4	4,643	200,132

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

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

	Ref.	2013	2012
Expenditures - continued			
Unallocated Receipts - Taxes and Sewer		$ -	$ 446,137
Interfunds Charged to Operations	A-17	65,330	-
Sr. Citizens & Veterans Deductions Disallowed by State	A-8	307,275	81,250
Sr. Citizens & Veterans Deductions - Other Adjustments	A-8	625	-
Tax Overpayment Refunds	A-21	65,283	695,480
Other Reserves	A-22	546,521	-
State Tax Appeals	A-33	1,493,784	178,951
		316,245,183	327,877,299
Deficit in Revenue		3,862,352	6,566,675
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Special Emergency Appropriations			
Revaluation	A-16	2,100,000	-
Accrued Sick and Vacation Time	A-16	2,270,000	2,840,000
Statutory Excess to Fund Balance		507,648	-
Deficit in Operations to be Raised in Budget of Succeeding Year			$ 3,726,675
Fund Balance, July 1	A	$ 227,201	$ 227,201
Fund Balance, June 30	A	$ 734,849	$ 227,201

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUES:				
LOCAL REVENUES				
Licenses:				
Alcoholic Beverages	$ 204,600	$ -	$ 198,567	$ (6,033)
Other Licenses	141,200	-	145,939	4,739
Fines and Costs:				
Municipal Court	4,054,000	-	4,108,865	54,865
Interest and Costs on Taxes	1,739,000	-	2,071,913	332,913
Interest on Investments and Deposits	24,900	-	32,485	7,585
Interest on Delinquent Sewer Charges	179,500	-	189,508	10,008
Department of Public Works	165,600	-	180,285	14,685
Division of Health	878,900	-	817,419	(61,481)
City-Wide Recycling Revenues	472,500	-	295,912	(176,588)
Board of Adjustment	113,600	-	112,946	(654)
Sale of Copies of Public Records	31,800	-	30,464	(1,336)
Ambulance Fees	2,689,300	-	2,665,211	(24,089)
Municipal Towing Contract Fees	115,300	-	79,723	(35,577)
Municipal Sewer Use Charges				
Current Year	6,414,900	-	6,449,339	34,439
Prior Year	412,800	-	423,726	10,926
Fire Department Combustibles Inspection Revenues	296,400	-	284,662	(11,738)

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUES: (continued)				
LOCAL REVENUES - continued				
Livery and Taxi License Fees	$ 53,900	$ -	$ 115,375	$ 61,475
	17,988,200	-	18,202,339	214,139
STATE AID WITHOUT OFFSETTING APPROPRIATIONS				
Consolidated Municipal Property Tax Relief	12,604,243	-	12,604,243	-
Energy Receipts Tax	20,118,557	-	20,118,557	-
Supplemental Energy Receipts Tax	262,651	-	262,651	-
Open Space PILOT Aid (Garden State Trust)	6,088	-	6,088	-
Building Aid Allowance for Schools	381,296	-	381,296	-
Watershed Moratorium Offset Aid	329	-	329	-
Transitional Aid	22,400,000	-	22,370,000	(30,000)
	55,773,164	-	55,743,164	(30,000)
DEDICATED UNIFORM CONSTRUCTION CODE FEES OFFSET WITH APPROPRIATIONS				
Uniform Construction Code Fees				
Fees and Permits:				
Construction Code Official	607,900	-	708,566	100,666
Other	428,300	-	576,716	148,416
	1,036,200	-	1,285,282	249,082

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUES: (continued)				
SHARED SERVICE AGREEMENTS				
Life Hazard Use Fees	$ 276,253	$ -	$ 276,253	$ -
	276,253	-	276,253	-
PUBLIC AND PRIVATE REVENUES OFFSET WITH APPROPRIATIONS				
United States Department of Health and Human Services:				
SPNS Grant	80,000	-	80,000	-
HIV Ryan White Program	1,516,532	-	1,516,532	-
United States Federal Emergency Management Agency:				
Assistance to Firefighters Grant	177,868	-	177,868	-
SAFER Grant	6,975,860	-	6,975,860	-
Hurricane Sandy 2012 Aid	525,000	-	525,000	-
New Jersey Department of Health and Senior Services:				
Sexually Transmitted Disease Control Program	92,040	-	92,040	-
Federal 2012 TB Control Grant	83,000	-	83,000	-
Tuberculosis Control Program	208,700	-	208,700	-
Senior Farmers Market Nutrition Program	1,000	-	1,000	-
Federal 2012 TB Control Grant	103,754	-	103,754	-
Public Health Preparedness/Response for Bioterror	232,000	-	232,000	-
Childhood Lead Poisoning Control Program	230,846	-	230,846	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUES: (continued)				
PUBLIC AND PRIVATE REVENUES OFFSET WITH APPROPRIATIONS - continued				
New Jersey Department of Health and Senior Services:				
HIV Counseling, Testing and Referral	$ 243,400	$ -	$ 243,400	$ -
New Jersey Department of Community Affairs:				
Recreation Opp. for Individuals with Disabilities	13,000	-	13,000	-
New Jersey Department of Law & Public Safety:				
Emergency Management Assistance Funding	10,000	-	10,000	-
Safe and Secure Communities Program	199,563	-	199,563	-
Body Armor Grant	33,600	-	33,600	-
Edward Byrne Violent Crime Discretionary Grant	75,440	-	75,440	-
DWI Surcharge Funds	-	9,321	9,321	-
Project Safe Neighborhood Program	15,000	-	15,000	-
Project Safe Neighborhood Program - J911	8,000	-	8,000	-
New Jersey Department of Environmental Protection:				
Recycling Tonnage Grant	238,701	-	238,701	-
Clean Communities	-	169,792	169,792	-
New Jersey Department of Commerce and Economic Development:				
UEZ - Administration Budget	340,100	-	340,100	-
UEZ - Small Busineess Development Center Year 14	100,000	-	100,000	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUES: (continued)				
PUBLIC AND PRIVATE REVENUES OFFSET WITH APPROPRIATIONS - continued				
New Jersey Department of Human Services:				
School Based Youth Services Program	$ 307,190	$ 2,300	$ 309,490	$ -
Teen Parenting Program	81,169	-	81,169	-
Total Lifestyle Support Program - 2012	49,111	-	49,111	-
Total Lifestyle Support Program - Additional Funding	-	10,000	10,000	-
Total Lifestyle Support Program - 2013	-	185,885	185,885	-
County of Passaic:				
Senior Citizen & Disabled Transportation Program	222,000	-	222,000	-
Municipal Alliance Program	39,680	-	39,680	-
Paterson House Station Grant	26,266	-	26,266	-
Paterson Station House Adjustment Program	3,467	1,288	4,755	-
Evening Reporting Program	-	106,830	106,830	-
Evening Reporting Program, Additional Funding	-	10,000	10,000	-
Other:				
Community Foundation of New Jersey, Give & Receive Summer Program	20,000	-	20,000	-
City of Passaic Byrne Memorial Assist. Grant-Equip.	134,911	-	134,911	-
NJ Historic Trust - Hinchliffe Stadium	-	500,000	500,000	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUES: (continued)				
PUBLIC AND PRIVATE REVENUES OFFSET WITH APPROPRIATIONS - continued				
Other:				
Confidential Forfeiture Fund	$ -	$ 10,000	$ 10,000	$ -
PSEG, Emergency Preparedness Grant	-	5,000	5,000	-
Anita Tenk Spaying and Neutering	9,656	-	9,656	-
Mineral Display Grant	2,000	-	2,000	-
	12,398,854	1,010,416	13,409,270	-
OTHER SPECIAL ITEMS				
Payments in Lieu of Taxes				
Aspen Hamilton	82,443	-	82,443	-
Colt Arms	200,293	-	205,676	5,383
Federation Apartments	162,169	-	171,528	9,359
Governor Paterson Towers	518,788	-	571,610	52,822
504 Madison Avenue	138,441	-	138,441	-
Incca for Housing - Carroll Street	131,459	-	125,028	(6,431)
Incca for Housing - North Triangle	142,908	-	145,107	2,199
Cooke Building Associates	16,632	-	16,632	-
Jackson Slater	200,233	-	200,233	-
Essex - Phoenix Mill	153,778	-	153,778	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUES: (continued)				
OTHER SPECIAL ITEMS - continued				
Payments in Lieu of Taxes - continued				
Brooke Sloate	$ 157,436	$ -	$ 152,125	$ (5,311)
Rosa Park - 400 Broadway	54,167	-	54,167	-
Garret Heights	220,989	-	185,192	(35,797)
Christopher Columbus Development	112,010	-	112,488	478
446-460 E. 19th Street	16,721	-	18,556	1,835
Belmont/McBride Apartments	13,765	-	13,765	-
Sheltering Arms	15,855	-	12,136	(3,719)
Hope 98 North Main Scattered Sites	22,362	-	22,362	-
Hope 98 Beech Street	31,921	-	32,798	877
Hope 98 Van Houten Street	14,090	-	14,090	-
Rising Dove Senior Housing	28,261	-	28,261	-
Paterson Housing Authority	80,000	-	80,000	-
200 Godwin Avenue	24,891	-	24,891	-
Congdon Mill	79,052	-	79,052	-
Belmont Towers 2007 Audit Adjustment	14,310	-	14,310	-
Heritage - Alexander Hamilton	55,999	-	75,332	19,333
Brooke Sloate Audit Adjustment	3,063	-	3,063	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUES: (continued)				
OTHER SPECIAL ITEMS - continued				
Cable Communication Third Party Rent	$ 340,000	$ -	$ 340,000	$ -
US Cable of Paterson Franchise Fees	284,254	-	284,770	516
Capital Surplus	64,300	-	64,300	-
Sewer Rent - Third Party	62,005	-	70,643	8,638
Sewer Rent - Third Party Prior Year	46,914	-	16,769	(30,145)
City of Paterson Parking Authority				
Cooperative Agreement 7/1 - 12/31/12	200,000	-	204,000	4,000
Cooperative Agreement 1/1 - 6/30/13	200,000	-	204,000	4,000
PVWC Fire Hydrant Testing Reimbursement	196,300	-	196,500	200
Trust Fund Surplus	15,000	-	15,000	-
PVSC Rebate Incentive Program	14,511	-	14,511	-
Private Host Benefit Fees	188,300	-	236,822	48,522
Private Host Benefit Fees Prior Year	37,466	-	37,466	-
Recycling Tire Fees	23,500	-	8,158	(15,342)
Additional Ambulance Fees -				
Shared Service Agreement	182,800	-	182,800	-
Verizon Franchise Fees	89,305	-	88,998	(307)
Passaic County Community College Rent	10,000	-	10,000	-
Housing Authority Garbage Reimbursement	95,000	-	95,000	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUES: (continued)				
OTHER SPECIAL ITEMS - continued				
FEMA Reimbursements - 2011 Storms	$ 348,535	$ -	$ 348,535	$ -
Classic Towing Prior Year	9,789	-	9,789	-
Motor Vehicle Agency Security Reimb - Prior Year	47,998	-	47,998	-
Motor Vehicle Agency Security Reimbursement	287,986	-	239,988	(47,998)
Additional Fire Inspection Fees	369,200	-	428,326	59,126
Insurance Reimbursements	100,000	-	100,000	-
Health Premiums	1,500,000	-	1,501,776	1,776
Additional Sewer Fees	1,000,000	-	1,000,000	-
	8,405,199	-	8,479,213	74,014
Total Miscellaneous Revenues	95,877,870	1,010,416	97,395,521	507,235
RECEIPTS FROM DELINQUENT TAXES:	1,979,700	-	2,521,065	541,365
Subtotal - General Revenues	97,857,570	1,010,416	99,916,586	1,048,600

AMOUNT TO BE RAISED BY TAXES FOR

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
SUPPORT OF MUNICIPAL BUDGET:				
Local Tax Including Reserve for Uncollected Taxes	$ 137,335,758	$ -	$ 137,035,899	$ (299,859)
Minimum Library Tax	2,550,700	-	2,550,700	-
Total Amount to be Raised by Taxes	139,886,458	-	139,586,599	(299,859)
Total Budget Revenues	237,744,028	1,010,416	239,503,185	748,741
Non-Budget Revenues	-	-	1,287,970	1,287,970
Total General Revenues	$ 237,744,028	$ 1,010,416	$ 240,791,155	$ 2,036,711
Ref.	A-3	A-3		

		Ref.	
	Budgeted	A-2a	$ 239,503,185
	Non-budgeted	A-2b	1,287,970
			$ 240,791,155

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF REVENUES - REGULATORY BASIS
ANALYSIS OF REALIZED REVENUES

	Ref.		
Allocation of Current Tax Collections:			
Revenue from Collections			
Current Year Taxes Collected in Current Year	A-5	$ 219,459,791	
Refunded	A-4	(8,460,784)	
Tax Overpayments	A-21	(908,655)	
Credit Writeoffs	A-1	(156)	
Current Year Taxes Collected in Current Year	A-7	210,090,196	
Current Year Taxes Collected in Prior Year	A-7	124,390	
Unallocated Taxes	A-7	267,446	
State Share of Sr. Citizens' & Veterans' Deductions	A-7	311,500	
Current Taxes Realized in Cash			$ 210,793,532
Less: Reserved for State Tax Appeals	A-33		(500,000)
	A-1		210,293,532
Add: Appropriation for "Reserve for Uncollected Taxes"	A-3a		8,567,478
			$ 218,861,010
Allocated to:			
School Taxes	A-25	39,360,759	
County Taxes	A-26	39,913,652	
			79,274,411
Amount for Support of Municipal Budget Appropriations	A-1		$ 139,586,599
Receipts from Delinquent Taxes:			
Delinquent Taxes Collected	A-7, A-5		$ 281,631
Senior Citizens' and Veterans' Deductions	A-7		3,250
Other Collectons	A-7		89,234
Demolition Liens Collected	A-12		22,700
Tax Title Liens Collected	A-9		2,146,950
			2,543,765
Less: Due to CDBG - Demolition Liens	A-17		22,700
Total Receipts from Delinquent Taxes	A-1		$ 2,521,065
Miscellaneous Revenues Anticipated:			
Current Sewer Charges:			
Current Year Receipts	A-10	$ 6,455,322	
Unallocated Sewer	A-10	2,528	
Overpayments	A-10	(31,865)	
Credit Write-Off	A-10	(264)	
Prepaid Applied	A-10	23,618	
Realized Revenue	A-2		$ 6,449,339

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF REVENUES - REGULATORY BASIS
ANALYSIS OF REALIZED REVENUES

	Ref.		
Miscellaneous Revenues Anticipated (continued):			
Prior Year's Sewer Charges:			
Current Year Receipts	A-10	$ 220,780	
Credit Write-Off	A-10	(563)	
Overpayments	A-10	8,896	
Unallocated Sewer	A-10	3,433	
Sewer Lien Receipts	A-11	191,180	
	A-2		$ 423,726
Additional Sewer Fees:			
Current Year Receipts	A-2, A-10		1,000,000
Accrual per Revenue Accounts Receivable	A-15		75,836,933
Life Hazard Use Fees - Grants	A-17		276,253
State and Federal Grants	A-17		13,409,270
Total Miscellaneous Revenues Anticipated	A-1		$ 97,395,521
Total Realized Budget Revenues	A-2		$ 239,503,185

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

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

	Ref.		
Increased by Cash Received from:			
Insurance PS Complex Reimbursement - Flood Cleanup		$ 259,445	
Prior Year Fringe Grant Reimbursement		176,143	
Board and Secure		166,250	
Forfeit 2007 Tax Sale Premium		119,400	
Redemption Fees		103,485	
PILOT Audit Adjustment - Paterson Housing Authority		72,226	
Off-Duty Reimbursement - Use of Cars		71,363	
Mercantile License Fees		52,175	
Stale Dated Checks		35,086	
Sewer Credit - Godwin Avenue Settlement		27,251	
Total Loss of Vehicles		26,971	
Prior Year Election Reimbursement		21,164	
Special Emergency Note Sale Premium		20,576	
DPW Cleanup Lien		16,700	
Restitution - Jet Vac Settlement		12,058	
Parking Authority Fuel Reimbursement		10,174	
DMV Inspection Fees		10,029	
Bid Specifications		9,900	
Garnishee Service Charges		9,745	
PILOT Audit Adjustment - Jackson Slater		8,567	
PILOT Audit Adjustment - Cooke Mill		7,383	
Administrative Fees - Sr. Citizens and Veterans Deductions		6,025	
PILOT Audit Adjustment - NJ Communiyt		5,190	
City Clerk - Loud Speaker Fee		4,990	
Inmate Phones		4,507	
Police Seized Money		3,404	
Bad Checks Fees		3,365	
Child Care Service Charges		3,336	
City Clerk - Garage Sale Fees		3,310	
Tax Search Fees		3,180	
Various Other Miscellaneous Revenues Not Anticipated		14,571	
	A-1, A-2		$ 1,287,969

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

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

	Ref.		
Reclassifcation or Transfer From:			
Sewer Overpayments	A-24	$ 27,251	
Interfunds	A-17	176,413	
Revenue Accounts Receivable	A-15	347,036	
2% Admininstrative Fee	A-8	6,025	
Cash Receipts	A-4	754,010	
			$ 1,310,735
Less:			
Other Reserves	A-22	4,746	
Revenue Accounts Receivable	A-15	13,363	
Cash Disbursements	A-4	4,657	
			22,766
			$ 1,287,969

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
(A) Operations - Within "CAPS"						
GENERAL GOVERNMENT						
Office of the Mayor						
Salaries and Wages	$ 320,595	$ 300,594	$ 300,594	$ -	$ -	$ -
Other Expenses	15,120	15,120	10,163	966	3,991	-
City Council						
Salaries and Wages	603,340	518,111	518,111	-	-	-
Other Expenses	178,890	178,890	93,196	65,885	19,809	-
Office of the City Clerk						
Salaries and Wages	342,781	310,255	310,255	-	-	-
Other Expenses	128,155	128,155	92,458	13,716	21,981	-
Elections						
Salaries and Wages	7,098	6,565	6,565	-	-	-
Other Expenses	306,050	190,050	102,313	6,753	80,984	-
Insurance						
Salaries and Wages	90,465	76,257	76,257	-	-	-
Other Expenses	37,018,489	40,562,333	38,489,240	2,066,965	6,128	-
Insurance - Worker Compensation	3,500,000	4,435,000	3,905,887	496,748	32,365	-
Insurance - Liability	5,020,600	3,925,600	3,722,349	194,100	9,151	-
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	93,759	75,990	75,990	-	-	-
Other Expenses	75,940	10,940	2,066	456	8,418	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
DEPARTMENT OF ADMINISTRATION						
Office of the Business Administrator						
Salaries and Wages	$ 535,086	$ 535,086	$ 396,335	$ -	$ 138,751	$ -
Other Expenses	53,000	53,000	26,467	18,114	8,419	-
Division of Personnel						
Salaries and Wages	507,388	359,995	359,995	-	-	-
Other Expenses	32,650	33,650	28,729	4,159	762	-
Division of Purchasing						
Salaries and Wages	226,637	239,079	239,079	-	-	-
Other Expenses	19,700	19,700	16,373	2,753	574	-
Division of Data Processing						
Salaries and Wages	360,273	260,278	260,278	-	-	-
Other Expenses	457,119	457,119	184,823	118,717	153,579	-
Surveys and General - Other Expenses	98,000	98,000	69,695	28,268	37	-
Public Defender (P.L. 1997, c. 256)						
Salaries and Wages	65,114	-	-	-	-	-
Other Expenses	680	-	-	-	-	-
DEPARTMENT OF FINANCE						
Office of the Director						
Salaries and Wages	172,067	167,067	160,972	-	6,095	-
Other Expenses	36,550	36,550	4,321	16,442	15,787	-
Division of Treasury						
Salaries and Wages	340,094	338,743	338,743	-	-	-
Other Expenses	33,095	33,095	21,650	1,781	9,664	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
DEPARTMENT OF FINANCE - continued						
Division of Accounts and Control						
Salaries and Wages	$ 427,615	$ 427,615	$ 417,153	$ -	$ 10,462	$ -
Other Expenses	10,743	10,743	6,170	1,828	2,745	-
Division of Sewer Collection						
Salaries and Wages	168,445	145,729	145,729	-	-	-
Other Expenses	32,600	32,600	26,592	4,312	1,696	-
Division of Assessments						
Salaries and Wages	374,527	327,527	325,044	-	2,483	-
Other Expenses	37,560	52,560	43,172	5,312	4,076	-
Division of Revenue Collection						
Salaries and Wages	675,261	665,261	654,733	-	10,528	-
Other Expenses	200,730	190,730	139,943	7,906	42,881	-
Office of Internal Audit						
Salaries and Wages	135,000	128,751	128,751	-	-	-
Other Expenses	5,708	2,708	670	145	1,893	-
DEPARTMENT OF LAW						
Office of the Corporation Counsel						
Salaries and Wages	988,813	838,813	755,029	-	83,784	-
Other Expenses	113,770	113,770	61,851	9,706	42,213	-
DEPARTMENT OF PUBLIC SAFETY						
Taxicab Division						
Salaries and Wages	134,743	78,058	78,058	-	-	-
Other Expenses	9,650	9,650	5,434	306	3,910	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
DEPARTMENT OF PUBLIC SAFETY - continued						
Division of Fire						
Salaries and Wages	$ 30,515,798	$ 30,424,798	$ 30,424,528	$ -	$ 270	$ -
Other Expenses	1,303,860	1,432,158	1,316,716	102,242	13,200	-
Life Hazard Use Fees	276,253	276,253	276,253	-	-	-
Division of Police						
Salaries and Wages	39,266,596	38,646,596	38,635,165	-	11,431	-
Other Expenses	1,653,529	1,544,529	1,104,354	289,150	151,025	-
Animal Control						
Salaries and Wages	234,743	245,323	245,323	-	-	-
Other Expenses	51,600	58,100	51,600	-	6,500	-
DEPARTMENT OF PUBLIC WORKS						
Office of the Director						
Salaries and Wages	443,692	459,019	459,019	-	-	-
Other Expenses	26,870	30,370	27,198	3,133	39	-
Division of Engineering						
Salaries and Wages	208,264	208,312	208,312	-	-	-
Other Expenses	455,900	515,900	507,209	7,003	1,688	-
Division of Traffic and Lighting						
Salaries and Wages	304,173	335,350	335,350	-	-	-
Other Expenses	132,700	132,700	113,858	10,104	8,738	-
Division of Water and Sewers						
Salaries and Wages	339,757	254,188	254,188	-	-	-
Other Expenses	618,300	615,244	514,539	37,113	63,592	-
Sewer Repairs	50,000	-	-	-	-	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
DEPARTMENT OF PUBLIC WORKS - continued						
Division of Streets						
Salaries and Wages	$ 2,673,754	$ 2,554,307	$ 2,554,307	$ -	$ -	$ -
Other Expenses	176,575	237,748	203,485	32,248	2,015	-
Street Repair	76,920	76,920	29,696	39,000	8,224	-
Snow Removal						
Salaries and Wages	135,770	99,341	99,341	-	-	-
Other Expenses	307,250	361,750	341,908	11,294	8,548	-
Division of Auto Maintenance						
Salaries and Wages	459,438	411,567	411,567	-	-	-
Other Expenses	344,990	409,990	370,237	32,365	7,388	-
Division of Public Properties						
Parks and Shade Trees Section						
Salaries and Wages	1,297,433	1,276,469	1,276,469	-	-	-
Other Expenses	363,525	293,525	187,437	64,275	41,813	-
Public Buildings Section						
Salaries and Wages	1,256,859	1,217,126	1,217,126	-	-	-
Other Expenses	1,186,645	1,186,645	1,009,116	74,348	103,181	-
Division of Recreation						
Salaries and Wages	1,806,741	1,841,900	1,841,900	-	-	-
Other Expenses	442,934	465,934	366,754	89,980	9,200	-
Division of Recycling						
Salaries and Wages	975,430	1,083,210	1,083,210	-	-	-
Other Expenses	189,847	189,847	174,253	6,293	9,301	-
Cable Communications						
Salaries and Wages	208,025	165,336	165,336	-	-	-
Other Expenses	38,470	23,470	10,157	1,722	11,591	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
DEPARTMENT OF COMMUNITY DEVELOPMENT						
Division of Planning and Zoning						
Salaries and Wages	$ 192,943	$ 237,835	$ 237,835	$ -	$ -	$ -
Other Expenses	14,300	14,300	9,321	523	4,456	-
Division of Community Improvements						
Salaries and Wages	168,059	168,059	168,059	-	-	-
Other Expenses	55,389	55,389	-	7,463	47,926	-
Division of Economic Development						
Salaries and Wages	140,000	110,193	110,193	-	-	-
Other Expenses	11,550	3,550	1,145	1,061	1,344	-
Division of Redevelopment						
Other Expenses	11,550	-	-	-	-	-
DEPARTMENT OF HUMAN SERVICES						
Office of the Director						
Salaries and Wages	274,696	301,827	301,827	-	-	-
Other Expenses	7,156	7,156	916	196	6,044	-
Office of Aging and Disabled Services						
Salaries and Wages	60,810	30,047	30,047	-	-	-
Other Expenses	29,520	14,520	12,461	672	1,387	-
Social Services	433,701	333,701	239,818	68,020	25,863	-
Division of Consumer Protection						
Salaries and Wages	149,129	130,217	130,217	-	-	-
Other Expenses	12,259	9,259	6,285	235	2,739	-
Division of Youth Services						
Salaries and Wages	338,147	310,487	310,487	-	-	-
Other Expenses	21,338	46,338	14,421	24,848	7,069	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
DEPARTMENT OF HUMAN SERVICES - continued						
Division of Health						
Salaries and Wages	$ 2,070,877	$ 1,878,272	$ 1,878,272	$ -	$ -	$ -
Other Expenses	329,350	291,350	242,489	30,463	18,398	-
STATUTORY AGENCIES						
Museum						
Salaries and Wages	311,495	268,035	268,035	-	-	-
Other Expenses	45,650	45,650	23,858	11,031	10,761	-
Board of Adjustment						
Salaries and Wages	49,600	24,600	18,163	-	6,437	-
Other Expenses	39,200	43,700	34,522	1,895	7,283	-
Office of Emergency Management						
Salaries and Wages	152,705	103,503	93,503	-	10,000	-
Other Expenses	65,191	25,191	10,675	5,715	8,801	-
Planning Board						
Salaries and Wages	49,741	15,741	11,425	-	4,316	-
Other Expenses	30,100	30,100	28,053	1,486	561	-
Youth Guidance Council						
Other Expenses	27,000	27,000	14,445	2,258	10,297	-
Historic Preservation Commission						
Salaries and Wages	111,203	85,489	85,489	-	-	-
Other Expenses	14,500	14,500	10,539	3,179	782	-
Municipal Court						
Salaries and Wages	1,442,645	1,299,605	1,299,605	-	-	-
Other Expenses	174,340	174,340	107,586	37,300	29,454	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
UNIFORM CONSTRUCTION CODE						
Community Improvements						
Salaries and Wages	$ 962,527	$ 595,853	$ 595,853	$ -	$ -	$ -
Other Expenses	110,473	50,473	49,658	-	815	-
UNCLASSIFIED						
Electricity	1,115,000	1,215,000	1,042,332	162,668	10,000	-
Street Lighting	2,722,000	2,722,000	2,259,031	462,969	-	-
Telephone Service	468,100	448,100	278,815	166,908	2,377	-
Gas	507,000	407,000	325,860	77,140	4,000	-
Fuel Oil	19,000	17,000	15,693	1,252	55	-
Gasoline	1,312,500	1,312,500	1,209,052	88,226	15,222	-
Solid Waste	7,276,851	7,201,851	6,479,102	337,524	385,225	-
Accrued Sick and Vacation	-	2,270,000	2,270,000	-	-	-
Revaluation	-	2,100,000	2,100,000	-	-	-
(B) Contingent	5,000	5,000	-	-	-	5,000
Total Operations Including Contingent within "CAPS"	163,175,136	167,974,393	160,742,231	5,358,640	1,868,522	5,000
Detail:						
Salaries and Wages	93,170,151	90,582,379	90,297,822	-	284,557	-
Other Expenses	70,004,985	77,392,014	70,444,409	5,358,640	1,583,965	5,000

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
(E) Deferred Charges and Statutory Expenditures within "CAPS"						
(1) DEFERRED CHARGES						
Prior Years' Bills	$ 30,543	$ 30,543	$ 30,543	$ -	$ -	$ -
(2) STATUTORY EXPENDITURES						
Contribution to:						
Public Employees Retirement System (PERS)	3,025,152	3,009,152	3,008,786	-	366	-
Police and Firemen's Retirement System (PFRS)	17,763,025	17,695,025	17,694,666	-	359	-
Social Security System (O.A.S.I.)	1,975,328	1,766,828	1,749,252	-	17,576	-
Consolidated Police and Fire Retirement Fund	5,000	5,000	4,666	-	334	-
Increased Retirement Allowance						
Pursuant to: C143-L-1958	164,513	164,513	164,513	-	-	-
Defined Contribution Retirement Program	15,000	23,900	23,606	-	294	-
Medicare	1,385,678	1,352,678	1,342,083	-	10,595	-
Unemployment Compensation Insurance	570,000	506,343	506,062	-	281	-
State Disability	135,000	86,000	85,219	-	781	-
	25,069,239	24,639,982	24,609,396	-	30,586	-
(G) Cash Deficit of Preceeding Year	2,326,675	2,326,675	2,326,675	-	-	-
(H-1)TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	190,571,050	194,941,050	187,678,302	5,358,640	1,899,108	5,000

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
(A) Operations - Excluded From "CAPS"						
Passaic Valley Sewerage Commission	$ 10,128,250	$ 10,128,250	$ 10,128,243	$ -	$ -	$ 7
Maintenance of Free Public Libraries	2,167,976	2,167,976	2,059,709	44,074	64,193	-
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 Firefighers Match	44,467	44,467	44,467	-	-	-
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	256,248	256,248	256,248	-	-	-
Hurricane Sandy 2012	185,000	185,000	181,939	-	3,061	-
HUD Audit Repayment	439,415	439,415	439,415	-	-	-
Paterson Station House Grant Match	1,288	1,288	1,288	-	-	-
	16,404,910	16,404,910	16,293,575	44,074	67,254	7
PUBLIC AND PRIVATE APPROPRIATIONS OFFSET BY REVENUES						
United States Department of Health and Human Services:						
SPNS Grant	80,000	80,000	80,000	-	-	-
HIV Ryan White Program	1,516,532	1,516,532	1,516,532	-	-	-
United States Federal Emergency Management Agency:						
Assistance to Firefighters Grant	177,868	177,868	177,868	-	-	-
SAFER Grant	6,975,860	6,975,860	6,975,860	-	-	-
Hurricane Sandy 2012 Aid	525,000	525,000	525,000	-	-	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
PUBLIC AND PRIVATE APPROPRIATIONS						
OFFSET BY REVENUES - continued						
New Jersey Department of Health and Senior Services:						
Sexually Transmitted Disease Control Program	$ 92,040	$ 92,040	$ 92,040	$ -	$ -	$ -
Federal 2012 TB Control Grant	83,000	83,000	83,000	-	-	-
Tuberculosis Control Program	208,700	208,700	208,700	-	-	-
Senior Farmers Market Nutrition Program	1,000	1,000	1,000	-	-	-
Federal 2012 TB Control Grant	103,754	103,754	103,754	-	-	-
Public Health Preparedness/Resp. for Bioterror	232,000	232,000	232,000	-	-	-
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 Community Affairs:						
Recreation Opp. for Individuals with Disabilities	13,000	13,000	13,000	-	-	-
New Jersey Department of Law & Public Safety:						
Emergency Management Assistance Funding	10,000	10,000	10,000	-	-	-
Safe and Secure Communities Program	199,563	199,563	199,563	-	-	-
Body Armor Grant	33,600	33,600	33,600	-	-	-
Edward Byrne Violent Crime Discretionary Grant	75,440	75,440	75,440	-	-	-
DWI Surcharge Funds	-	9,321	9,321	-	-	-
Project Safe Neighborhood Program	15,000	15,000	15,000	-	-	-
Project Safe Neighborhood Program - J911	8,000	8,000	8,000	-	-	-
New Jersey Department of Environmental Protection:						
Recycling Tonnage Grant	238,701	238,701	238,701	-	-	-
Clean Communities	-	169,792	169,792	-	-	-
New Jersey Department of Commerce and Economic Development:						
UEZ - Administration Budget	340,100	340,100	340,100	-	-	-
UEZ - Small Busineess Dev. Center Year 14	100,000	100,000	100,000	-	-	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
PUBLIC AND PRIVATE APPROPRIATIONS OFFSET BY REVENUES - continued						
New Jersey Department of Human Services:						
School Based Youth Services Program	$ 307,190	$ 309,490	$ 309,490	$ -	$ -	$ -
Teen Parenting Program	81,169	81,169	81,169	-	-	-
Total Lifestyle Support Program - 2012	49,111	49,111	49,111	-	-	-
Total Lifestyle Support Prog. - Add'l Funding	-	10,000	10,000	-	-	-
Total Lifestyle Support Program - 2013	-	185,885	185,885	-	-	-
County of Passaic:						
Senior Citizen & Disabled Transportation Prog.	222,000	222,000	222,000	-	-	-
Municipal Alliance Program	39,680	39,680	39,680	-	-	-
Paterson House Station Grant	26,266	26,266	26,266	-	-	-
Paterson Station House Adjustment Program	3,467	4,755	4,755	-	-	-
Evening Reporting Program	-	106,830	106,830	-	-	-
Evening Reporting Program, Additional Funding	-	10,000	10,000	-	-	-
Other:						
Community Foundation of New Jersey, Give & Receive Summer Program	20,000	20,000	20,000	-	-	-
City of Passaic Byrne Memorial Equip. Grant	134,911	134,911	134,911	-	-	-
NJ Historic Trust - Hinchliffe Stadium	-	500,000	500,000	-	-	-
Confidential Forfeiture Fund	-	10,000	10,000	-	-	-
PSEG, Emergency Preparedness Grant	-	5,000	5,000	-	-	-
Anita Tenk Spaying and Neutering	9,656	9,656	9,656	-	-	-
Mineral Display Grant	2,000	2,000	2,000	-	-	-
	12,398,854	13,409,270	13,409,270	-	-	-
Total Operations - Excluded from "CAPS"	28,803,764	29,814,180	29,702,845	44,074	67,254	7

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
Detail:						
Salaries and Wages	$ 1,269,521	$ 1,269,521	$ 1,269,521	$ -	$ -	$ -
Other Expenses	27,534,243	28,544,659	28,433,324	44,074	67,254	7
(C) Capital Improvements - Excluded from "CAPS"						
Capital Improvement Fund	300,000	300,000	300,000	-	-	-
Apollo Site Contamination Investigation	40,000	40,000	-	21,651	18,349	-
	340,000	340,000	300,000	21,651	18,349	-
(D) Municipal Debt Service						
General Debt Service:						
Payment of Bond Principal	2,875,000	2,875,000	2,875,000	-	-	-
NJ Environmental Infrastructure Principal	1,179,057	1,179,057	1,139,057	-	-	40,000
Interet on Bonds	1,113,282	1,113,282	1,113,282	-	-	-
Interest on Emergency Notes	151,877	151,877	151,877	-	-	-
NJ Environmental Infrastructure Interest	259,124	259,124	234,476	-	-	24,648
Interest on Bond Anticipation Notes	405,410	405,410	405,410	-	-	-
Principal Due on BANs	1,310,000	1,310,000	1,310,000	-	-	-
Green Trust Loan Program						
Loan Repayments for Principal and Interest						
Payment of Principal	51,330	51,330	51,330	-	-	-
Payment of Interest	7,777	7,777	7,777	-	-	-
DCA Demolition Loan	45,000	45,000	45,000	-	-	-
	7,397,857	7,397,857	7,333,209	-	-	64,648

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
(E) Deferred Charges - Municipal - Excluded from "CAPS"						
Special Emergency Authorizations - 5 Years	$ 1,374,000	$ 1,374,000	$ 1,374,000	$ -	$ -	$ -
Capital Fund (DEP Settlement)	41,917	41,917	41,917	-	-	-
	1,415,917	1,415,917	1,415,917	-	-	-
(F) Judgments	25,000	25,000	-	-	25,000	-
(H-2)TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"	37,982,538	38,992,954	38,751,971	65,725	110,603	64,655
(K) Local District School Purposes - Excluded from "CAPS"						
TYPE 1 DISTRICT SCHOOL DEBT						
Payment of Bond Principal	589,096	589,096	589,096	-	-	-
Interest on Bonds	33,866	33,866	33,866	-	-	-
	622,962	622,962	622,962	-	-	-
(O)TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"	38,605,500	39,615,916	39,374,933	65,725	110,603	64,655
(L) Subtotal General Appropriations	$ 229,176,550	$ 234,556,966	$ 227,053,235	$ 5,424,365	$ 2,009,711	$ 69,655
(M) Reserve for Uncollected Taxes	8,567,478	8,567,478	8,567,478	-	-	-
TOTAL GENERAL APPROPRIATIONS	$ 237,744,028	$ 243,124,444	$ 235,620,713	$ 5,424,365	$ 2,009,711	$ 69,655
Ref.		A-3a	A-3a	A-19	A	A-3a

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

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

	Ref.	Budget After Modification	Paid or Charged
Budget As Adopted	A-2	$ 237,744,028	$ -
Added by N.J.S.A. 40A:4-87	A-2	1,010,416	-
Reserve for Uncollected Taxes	A-2a	-	8,567,478
Cash Disbursements	A-4	-	206,779,001
Qualified Bonds Paid by State	A-15	-	3,988,283
Special Emergency	A-16	4,370,000	3,700,675
Interfund - Grants	A-17	-	13,409,270
Interfund - Grants Match	A-17	-	45,755
Chargebacks	A-17	-	1,226,523
Capital Improvement Fund	A-17	-	300,000
Life Hazard Use Fees - Grants	A-17	-	276,253
Tax Overpayments Appropriated	A-21	-	30,000
Chargebacks - Other Reserves	A-22	-	5,790
Reserve for Accrued Sick and Vacation	A-28	-	2,270,000
Reserve for Revaluation	A-34	-	2,100,000
			242,699,028
	A-3	243,124,444	
Less:			
Reserve for Uncollected Taxes	A-2a	8,567,478	-
Appropriations Canceled	A-3	69,655	-
Cash Receipts	A-4	-	2,445,794
Appropriation Reserves - Reclass	A-18	-	417,554
Reimbursements - Other Reserves	A-22	-	9
Reserve for Accrued Sick and Vacation	A-28	-	2,708,285
Interfunds - Budget Reimbursements	A-17	-	1,506,673
Subtotal: Modified Budget and Paid or Charge	A-3		235,620,713
	A-1	234,487,311	

See Accompanying Notes to Financial Statements

REPORT OF AUDIT

FINANCIAL SECTION

Trust Fund Financial Statements

City of Paterson
FY 2013

CITY OF PATERSON
TRUST FUNDS
AS OF JUNE 30, 2013 AND 2012

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2013	2012
Assets			
Animal Control Trust Fund:			
Cash	B-2	$ 7,420	$ 17,351
Other Trust Fund:			
Cash - Community Development	B-2	1,852,617	2,396,078
Cash - Other Trust	B-2	4,344,725	4,913,206
Taxes Receivable - Special Improvement Districts	B-3	3,141	3,055
Grants Receivable	B-5	15,884,768	18,586,372
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	47,141	43,642
Total Other Trust Fund		25,504,503	29,314,464
Total Assets		$ 25,511,923	$ 29,331,815
Liabilities and Reserves			
Animal Control Trust Fund:			
Due to State of New Jersey	B-6	$ 78	$ 2,058
Reserve for Animal Control Fund Expenditures	B-11	7,342	15,293
Total Animal Control Trust Fund		7,420	17,351
Other Trust Fund:			
Due to Special Improvement Districts	B-4	67,295	107,894
Tax Overpayments - Special Improvement District	B-18	276	1,001
Prepaid Revenue - Special Improvement District	B-20	49,504	58,999
Due to Housing Authority - Straight and Narrow	B-24	21,820	21,820
Reserve for:			
Off-Duty Police Officers	B-7	296,098	241,294
Off-Duty Police Officers Administration	B-8	40,800	41,365
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	185,185	219,709
Weights and Measures	B-15	97,640	74,061
Public Defender Fees	B-16	18,597	38,323
Various Reserves and Deposits	B-17	2,009,905	1,762,965

See Accompanying Notes to the Financial Statements.

CITY OF PATERSON
TRUST FUNDS
AS OF JUNE 30, 2013 AND 2012

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2013	2012
Reserve for:			
Special Improvement District Taxes	B-21	$ 50,282	$ 46,697
Payroll Agency	B-22	1,558,012	2,349,684
Various Grants	B-25	17,715,565	20,960,630
		25,483,090	29,296,553
Fund Balance	B-1	21,413	17,911
Total Other Trust Fund		25,504,503	29,314,464
Total Liabilities, Reserves and Fund Balance		$ 25,511,923	$ 29,331,815

See Accompanying Notes to the Financial Statements.

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

	Ref.		
Balance: June 30, 2012	B		$ 17,911
Increased by:			
Cash Receipts	B-2	$ 509	
Deposit Cancellations	B-17	17,993	
			18,502
			36,413
Decreased by:			
Cash Disbursements Applied to Anticipated Revenue	B-2		15,000
Balance: June 30, 2013	B		$ 21,413

See Accompanying Notes to the Financial Statements.

REPORT OF AUDIT

FINANCIAL SECTION

General Capital Fund Financial Statements

City of Paterson
FY 2013

CITY OF PATERSON
GENERAL CAPITAL FUND
AS OF JUNE 30, 2013 AND 2012

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	Ref.	2013	2012
Assets			
Cash	C-2,C-3	$ 15,126,812	$ 17,198,389
Grants Receivable - State	C-4	6,967,317	7,951,217
Deferred Charges to Future Taxation:			
Funded	C-6	82,420,190	61,776,647
Unfunded	C-7	16,021,708	37,824,635
Unfunded - NJ DEP Settlement	C-5	41,918	83,835
Due from New Jersey Environmental Infrastructure Trust Fund	C-8	8,757,606	8,757,606
Total Assets and Deferred Charges		$ 129,335,551	$ 133,592,329
Liabilities and Reserves			
General Serial Bonds	C-10	$ 64,341,623	$ 41,922,526
Bond Anticipation Notes	C-13	5,990,000	27,229,000
Improvement Authorizations:			
Funded	C-14	26,876,399	20,914,366
Unfunded	C-14	10,109,090	23,114,008
Capital Improvement Fund	C-15	710,113	410,113
Due to State of New Jersey:			
Green Acres Trust Loan Payable	C-16	959,785	922,188
Demolition Loan Payable	C-17	45,000	90,000
Environmental Infrastructure Loan	C-11	16,468,977	17,648,033
Economic Development Agency Payable - School	C-18	604,805	1,193,900
NJ Department of Environmental Protection Settlement Payable	C-12	41,918	83,835
		126,147,710	133,527,969
Fund Balance	C-1	3,187,841	64,360
Total Liabilities, Reserves and Fund Balance		$ 129,335,551	$ 133,592,329
Bonds and Notes Authorized But Not Issued	C-19	$ 10,031,708	$ 10,595,635

See Accompanying Notes to the Financial Statements.

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.		
Balance: June 30, 2012	C, C-3		$ 64,360
Increased by:			
Premiums Received on Sale of:			
Bonds		$ 3,159,029	
Bond Anticipation Notes		28,752	
	C-9		3,187,781
			3,252,141
Decreased by:			
Anticipated as Budget Revenue	C-9		64,300
Balance: June 30, 2013	C, C-3		$ 3,187,841

See Accompanying Notes to the Financial Statements.

REPORT OF AUDIT

FINANCIAL SECTION

General Fixed Assets Financial Statements

City of Paterson
FY 2013

CITY OF PATERSON
GENERAL FIXED ASSETS
AS OF JUNE 30, 2013 AND 2012

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2013	2012
Assets			
Land		$ 3,257,443	$ 3,257,443
Building		39,034,660	39,034,660
Machinery & Equipment		20,197,935	21,616,258
	D-1	$ 62,490,038	$ 63,908,361
Liabilities and Reserves			
Investment in General Fixed Assets	D-2	$ 62,490,038	$ 63,908,361

See Accompanying Notes to the Financial Statements.

REPORT OF AUDIT

FINANCIAL SECTION

Notes to Financial Statements

City of Paterson
FY 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 it 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 Board of Education
Paterson Municipal Utilities Authority
Paterson Parking Authority
Paterson Library

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

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. This includes the Federal and State Grants Fund.

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

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

DESCRIPTION OF FUNDS (continued)

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 comprehensive basis 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. 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.

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.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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.

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.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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.

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.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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.

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.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

Budgets and Budgetary 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).

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.

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.

NOTE B. CASH AND CASH EQUIVALENTS (continued)

DEPOSITS (continued)

Custodial Credit Risk – continued

The City's deposits of cash and cash equivalents at June 30, 2013 are summarized in the following table. 71% of the City's deposits are concentrated in two financial institutions. The remaining 29% is with 3 financial institutions.

FDIC Insured	$	1,000,000
GUDPA Insured		30,458,627
New Jersey Cash Management Fund		3,419,318
	$	34,877,945

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, 2013 are known to be held in foreign currency.

INVESTMENTS

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

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

NOTE B. CASH AND CASH EQUIVALENTS (continued)

INVESTMENTS (continued)

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, 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.

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, 2013 are presented as follows:

		Investment Maturities (in Years)			
Investment Type	Fair Value*	< 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.

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, 2013 and 2012, the City had a balance of $3,419,318 and $2,380,658 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:

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, 2013 and 2012, the City had no school taxes payable.

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, 2013 and 2012, the City had County taxes payable of $-0- and $76.183, respectively.

NOTE C. PROPERTY TAXES

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, 2013 and 2012, the budgeted reserve for uncollected taxes was $8,567,478 and $6,038,137, 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, 2013 and 2012, property taxes receivable were $39,397 and $179,045, respectively and tax title liens receivable were $9,933,237 and $7,998,200, respectively.

Property Acquired by Tax Title Lien Liquidation – The City held its annual accelerated tax sale in fiscal year 2013. All properties with delinquent taxes at May 1, 2013 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, 2013 and 2012 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, 2013 and 2012 were $129,230 and $124,390, 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, 2013 and 2012 were $1,939,969 and $2,072,232, respectively.

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 Type I School District, as such, bonds and notes issued and authorized by the Board of Education are general obligations of the City. These obligations are accordingly reported on the balance sheet of the City's General Capital Fund and included in the summary of municipal debt.

At June 30, 2013 and 2012, the City's statutory debt as defined by the Local Bond Law is summarized as follows:

	June 30, 2013	June 30, 2012
Statutory Debt Pursuant to Local Bond Law		
Issued:		
General:		
General Serial Bonds	$ 64,341,623	$ 41,922,526
Bond Anticipation Notes	5,990,000	27,229,000
Green Acres Trust Loan Payable	959,785	922,188
Demolition Loan Payable	45,000	90,000
Environmental Infrastructure Loan	16,468,977	17,648,033
School:		
Economic Development Agency Payable - School	604,805	1,193,900
Total Gross Statutory Debt Issued	88,410,190	89,005,647
Less Statutory Deductions to Debt Limit:		
Pension Refunding Bonds	3,492,623	5,572,526
Bonds and Notes for School Purposes	604,805	1,193,900
Net Statutory Debt Issued	84,312,762	82,239,221
Authorized but not Issued:		
General Improvements	10,031,708	10,595,635
Net Statutory Debt Issued and Authorized but not Issued	$ 94,344,470	$ 92,834,856

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:

	June 30, 2013	June 30, 2012
Non-Statutory Debt		
Issued:		
Current Fund		
Special Emergency Appropriation:		
Revaluation	$ 2,100,000	$ -
Accrued Sick and Vacation Time - FY 2013	2,270,000	-
Accrued Sick and Vacation Time - FY 2012	2,272,000	2,840,000
Accrued Sick and Vacation Time - FY 2011	2,418,000	3,224,000
	$ 9,060,000	$ 6,064,000

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

	June 30, 2012	(1) 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	$ 61,776,647	$ 25,383,024	$ 4,739,481	$ 82,420,190

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

NOTE D. MUNICIPAL DEBT (continued)

SUMMARY OF MUNICIPAL DEBT (continued)

Debt Refunding and Rollover

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, 2013, the State of New Jersey paid $3,988,283 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.

NOTE D. MUNICIPAL DEBT (continued)

BONDS PAYABLE

General Serial Bonds Payable

The City has outstanding at June 30, 2013 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:

Summary of General Serial Bonds Activity

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

NOTE D. MUNICIPAL DEBT (continued)

LOANS PAYABLE

Green Acres Trust Loans

The City has outstanding at June 30, 2013 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:

Summary of Green Acres Trust Loans Activity

Description	Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013	Due by 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	-
	$ 922,188	$ 88,927	$ 51,330	$ 959,785	$ 52,362

NOTE D. MUNICIPAL DEBT (continued)

LOANS PAYABLE (continued)

Demolition Loan

The City has outstanding at June 30, 2013 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 for each:

Summary of Demolition Loan Activity

Description	Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013	Due by 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-%					
	$ 90,000	$ -	$ 45,000	$ 45,000	$ 45,000

Economic Development Agency (EDA) Loan

The City has outstanding at June 30, 2013 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 for each:

Summary of Economic Development Agency Loan Activity

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

NOTE D. MUNICIPAL DEBT (continued)

LOANS PAYABLE (continued)

NJ Environmental Infrastructure Trust Loan

The City has outstanding at June 30, 2013 various New Jersey Environmental Infrastructure Trust Loans.

Summary of Environmental Infrastructure Trust Loan Activity

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

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:

Schedule of Debt Service Requirements to Maturity

As of June 30, 2013

	General Serial Bonds			Loans Outstanding		
Year	Total	Principal	Interest	Total	Principal	Interest
2014	$ 6,614,309	$ 2,900,000	$ 3,714,309	$ 2,176,772	$ 1,913,725	$ 263,047
2015	7,573,460	3,917,146	3,656,314	1,503,688	1,267,920	235,768
2016	9,073,337	5,471,640	3,601,697	1,496,905	1,276,613	220,292
2017	9,144,909	5,608,837	3,536,072	1,490,681	1,285,449	205,232
2018	6,930,561	4,825,000	2,105,561	1,469,095	1,279,739	189,356
2019-2023	34,628,661	27,679,000	6,949,661	7,184,472	6,518,178	666,294
2024-2028	15,349,500	13,940,000	1,409,500	3,502,921	3,300,182	202,739
2029-2030	-	-	-	634,843	627,243	7,600
Not Yet Amortized				609,515	609,515	-
	$ 89,314,737	$ 64,341,623	$ 24,973,114	$ 20,068,892	$ 18,078,564	$ 1,990,328

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.

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.

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.

			Balance at June 30, 2012				Paid by		Balance at June 30, 2013		
Ordinance	Original Issue:		Interest	Date of		New Notes	Budget	Bonds		Interest	Date of
Number	Date	Amount	Rate %	Maturity	Amount	Issued	Appropriation	Issued	Amount	Rate %	Maturity
Various Park Improvements - Pennington											
08-022	06/17/10	$ 900,000	1.50%	06/06/13	$ 900,000	$ -	$ -	$ 900,000	$ -	n/a	n/a
Construction of Firehouse											
09-013	06/17/10	3,200,000	1.50%	06/06/13	2,010,000	-	-	2,010,000	-	n/a	n/a
Resurfacing of Various Streets									-		
09-030	06/17/10	2,000,000	1.50%	06/06/13	2,000,000	-	-	2,000,000	-	n/a	n/a
Various Capital Improvements											
09-032	06/17/10	2,090,000	1.50%	06/06/13	2,090,000	-	-	2,090,000	-	n/a	n/a
Tax Appeal Refunding											
11-014	06/10/11	3,250,000	1.50%	06/06/13	2,600,000	-	650,000	-	1,950,000	1.50%	06/04/14
12-025	06/28/12	3,300,000	1.50%	06/06/13	3,300,000	-	660,000	-	2,640,000	1.50%	06/04/14
13-005	06/04/13	1,400,000	1.50%	06/04/14	-	1,400,000	-	-	1,400,000	1.50%	06/04/14
Recreation Facility Improvement											
11-016	06/10/11	2,142,000	1.50%	06/06/13	2,142,000	-	-	2,142,000	-	n/a	n/a
Sewer Reconstruction											
09-031	06/17/10	2,665,000	1.50%	06/06/13	2,665,000	-	-	2,665,000	-	n/a	n/a
10-045	06/10/11	2,665,000	1.50%	06/06/13	2,665,000	-	-	2,665,000	-	n/a	n/a
11-017	06/10/11	2,857,000	1.50%	06/06/13	2,857,000	-	-	2,857,000	-	n/a	n/a
12-004	06/06/12	4,000,000	1.50%	06/06/13	4,000,000	-	-	4,000,000	-	n/a	n/a
					$ 27,229,000	$ 1,400,000	$ 1,310,000	$ 21,329,000	$ 5,990,000		

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, 2013.

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

NOTE D. MUNICIPAL DEBT (continued)

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 $41,918 and $83,835, respectively.

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, 2013 in the City's General Capital Fund:

Ordinance Number	Improvement Description	Balance June 30, 2012	Authorized	Debt Issued	Balance 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	-
		$ 10,595,635	$ 13,700,000	$ 14,263,927	$ 10,031,708

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

3-1/2% of Equalized Valuation Basis	$ 271,187,459
Net Debt	94,344,470
Excess Borrowing Power	$ 176,842,989

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.

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

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%.

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.

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, 2013 and 2012 which were appropriated and included as anticipated revenue in the current fund budget of the succeeding year were as follows:

	Fund Balance June 30, 2013	Utilized in FY14 Budget	Fund Balance June 30, 2012	Utilized in FY13 Budget
Current Fund	$ 734,849	$ -	$ 227,201	$ -
Capital Fund	3,187,841	218,000	64,360	64,300
Trust Fund	21,413	15,000	17,911	15,000

NOTE F. FIXED ASSETS

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

	Balance, June 30, 2012	Current Year Activity		Balance, 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
	$ 63,908,361	$ 151,185	$ 1,569,508	$ 62,490,038

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.

NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION

Substantially all City employees participate in the Consolidated Police and Fireman's Pension Fund (CPFPF), 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 CPFPF, which is a single employer plan. The CPFPF, PERS and PFRS are cost sharing contributory defined benefit public employee retirement systems. The DCRP is a defined contribution plan.

STATE-MANAGED PENSION PLANS – CPFPF

The Consolidated Police and Fireman's Pension Fund (CPFPF) 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.

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, 2013 and 2012 this base salary amount was $8,000 and $7,800, 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.

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.

NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

STATE-MANAGED PENSION PLANS – PERS (continued)

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.

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.

NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

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.

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	As a Percetage of Base Wages		Amount	
June 30,	PFRS	PERS	PFRS	PERS
2013	10.00%	6.64%	$ 1,502,736	$ 6,284,445
2012	10.00%	6.50%	1,482,318	6,038,321
2011	8.50%	5.50%	2,413,217	4,738,464

NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

STATE-MANAGED PENSION PLANS – CONTRIBUTIONS (continued)

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:

	City PFRS Contribution		City PERS Contribution		City PERS Contribution	
Year Ended June 30,	Amount Paid or Charged	As a Percentage of Covered Payroll	Amount Paid or Charged	As a Percentage of Covered Payroll	Amount Paid or Charged	As a Percentage of Covered Payroll
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
2011	13,614,040	*	6,693,213	*	-	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.

The City elected the 50% deferral. Under the terms of the pension deferral the City is obligated to commence repayment of the entire deferral in 15 amortized annual installments, commencing with the year ended June 30, 2012. These payments will be added to the regular pension bills. The total amount of the deferred pension contribution liability as of June 30, 2013 and 2012 was $4,856,715 and $5,230,309, respectively. The City made a payment of $922,433 during the year ended June 30, 2013 consisting of principal and interest payments for PERS totaling $119,036 and PFRS totaling $803,397. The short term liability of the deferral, payable on April 1, 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.

NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

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.

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:

		Employee Contributions		City Contributions	
Year Ended June 30,	Number of Employees	Amount	As a Percentage of Base Payroll	Amount	As a Percentage of Base Payroll
2013	10	$ 39,343	5.5%	$ 23,606	3.0%
2012	6	23,868	5.5%	14,321	3.0%
2011	4	14,250	5.5%	8,550	3.0%

NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

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 Harford, 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.

The Deferred Compensation Plan’s assets and liabilities are not presented on the financial statements. The following table represents the activity in the Plan for the year ended December 31, 2013. Plan information is not available on a fiscal year ended June 30 basis, therefore the latest information available is shown below.

Value of Plan Assets at December 31, 2012		$ 29,131,640
Increased by:		
Employee Contributions	$ 2,467,532	
Gain on Value of Plan Assets	4,035,955	
		6,503,487
		35,635,127
Decreased by:		
Employee Distributions		2,702,934
Value of Plan Assets at Decmber 31, 2013		$ 32,932,193

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, 2012, June 30, 2011 and June 30, 2010, amounted to $15,657,954, $14,162,646 and $13,503,381, respectively. The number of employees eligible to receive benefits as of June 30, 2013, June 30, 2012 and June 30, 2011 were 860, 873 and 830, respectively.

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.

NOTE H. POST RETIREMENT BENEFITS (continued)

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 HayGroup and date March, 2013.

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		420,814,863
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.

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	$	136,705,554

NOTE H. POST RETIREMENT BENEFITS (continued)

Actuarial Valuation Results (continued)

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.

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%.

NOTE H. POST RETIREMENT BENEFITS (continued)

Actuarial Valuation Results (continued)

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.

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, 2013 and 2011 the total accumulated absence liability was $10,097,165 and $11,555,994, respectively. The City adopted emergency resolutions of $2,270,000 and $2,840,000, respectively, to fund portions of the liability.

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;

NOTE J. RISK MANAGEMENT (continued)

Insurance Coverage (continued)

- 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.).

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 and a maximum total of $21,500,000
- Building coverage from $1,000 to $5,000,000 depending on the location insured.

The Reserve for Insurance Liability at June 30, 2013 and June 30, 2012 was $1,149,682 and $1,036,534, respectively. The City accounts for insurance claims and costs on a pay-as-you-go basis. Expenditures during the year ended June 30, 2013 and June 30, 2012 amounted to $113,148 and $4,353,377, respectively.

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.

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 2014 budget are not less than that required by statute.

		Less Funding by:		Add:	
	Balance, June 30, 2012	2013 Budget Appropriation	Capital Ordinance	Results of Current Year	Succeeding Budgets
Special Emergency Authorizations (40A:4-53.h)					
Accrued Sick and Vacation Time - 2011	$ 3,224,000	$ 806,000	$ -	$ -	$ 2,418,000
Accrued Sick and Vacation Time - 2012	2,840,000	568,000	-	-	2,272,000
Accrued Sick and Vacation Time - 2013	-	-	-	2,270,000	2,270,000
Special Emergency Authorizations (40A:4-53.b)					
Revaluation	-	-	-	2,100,000	2,100,000
Cash Deficit of Preceding Year					
2012	3,726,675	2,326,675	1,400,000	-	-
	$ 9,790,675	$ 3,700,675	$ 1,400,000	$ 4,370,000	$ 9,060,000

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, 2013 and 2012, the City passed special emergency appropriations of $2,270,000 and $2,840,000, 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.

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 and 2012, the City had no interfund balances.

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, 2013:

Top 10 Taxpayers

Name	Type of Business	2012 Assessed Valuation
297 Paterson, LLC	Industrial Warehousing	$ 24,093,700
Paterson Plaza LLC	Office	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
Park East Terrace	Housing	13,498,200
The Realty Associates Fund, LLC	Industrial Warehousing	14,187,100
New Jersey Bell Telephone	Office	13,832,573

State Aid

The City is also a recipient of State Aid. During the years ended June 30, 2013 and 2012, 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.

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 fiscal year 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 the year ended June 30, 2013 and will appropriate $439,413 per year through the year ended June 30, 2017. As of June 30, 2013 and 2012, the balance of the settlement due to be reprogrammed into the City's own CDBG program was $1,757,652 and $2,197,067, respectively. These monies are a re-programming of funds for the City's use, therefore no liability has been recorded.

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.

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 2013. 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, 2013 and 2012, the City has a balance in its reserve for tax appeals in the amount $500,000 and $200,000, respectively. The City issued new tax appeal refunding notes as authorized by Ordinance No. 13-005 of $1,400,000 to finance such appeals, in addition to a renewal of $4,590,000 in tax appeal refunding notes previously outstanding. Total tax appeal refunding notes outstanding at June 30, 2013 and 2012 were $5,990,000 and $5,900,000, respectively.

NOTE N. CONTINGENT LIABILITIES (continued)

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:

Workers Compensation – The City is a defendant of 184 workers compensation matters, each with an estimated claim value of $5,000-$10,000.

USEPA Order – This City has been served with a Federal Clean Water Act Compliance Order and Information Request on February 2, 2013 by the USEPA. This Order requires the City to undertake significant capital improvements and the implementation of operation and maintenance standards and requirements for its combined sewer system. The City's engineering department is working with the USEPA to address these matters. Although no penalties have been assessed to date, failure to comply with the terms of this Order may subject the City to penalties pursuant to the Clean Water Act. No dollar amount has been attributed to the costs of these improvements or potential penalties, but the improvements alone are very likely to be of significant cost to the City.

Aldweik v. City – This is an excessive force matter alleging that a police officer conspired to plant drugs and arrest Plaintiff. This matter is currently n the early stages of discovery but has significant exposure of over $250,000.

Alqanawi v. City – This is an excessive force matter alleging that the Plaintiff was arrested on several occasions by a police officer and was subject to unlawful imprisonment and false arrest, unlawful search and seizure, excessive force, malicious prosecution and assault and battery. This matter is in the early stages of discovery but has significant exposure of over $250,000 for the City.

Aponte & Rivera v. City – This is an excessive force matter alleging that police officers seriously assaulted the Plantiffs during a traffic stop and subsequent arrest. This matter is currently in the early stages of discovery but has significant exposure of over $750,000.

Connizzo v. City – Plaintiff claims he has been subject to a hostile work environment and retaliation based upon his reporting of an improper telephone conversation between City employees. The plaintiff's demand is $365,000, however, counsel advises it appears at this time that a critical element of causation may be absent.

NOTE N. CONTINGENT LIABILITIES (continued)

Litigation (continued)

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.

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. The plaintiff made an initial demand to settle for change of title and the payment of $325,000, which was rejected by the City. In March, 2014, the plaintiff revised demand to settle the previous litigation as well as a pending bad faith layoff ssuit including changing of position and the payment of $700,000. The City's offer of $300,000 was rejected by the plaintiff. An in-person settlement conference is expected in short order.

Heffernan v. City – This is a First Amendment civil rights case for which a verdict was rendered in the amount of $105,000 against the City. The case may again proceed to trial. In light of attorney's fees, exposure may likely exceed $500,000.

Humphrey v. City – The plaintiff was a passenger in a motor vehicle that was in an accident with a Paterson Police patrol car and sustained injuries. Counsel notes this matter as relatively new, but expects demands to exceed $100,000. This matter is estimated to either settle or put on the trial calendar by November, 2014.

Hyatt v. City – This is an excessive force matter alleging that the Plaintiff's brother was wrongfully, and without provocation, shot and killed by a Police Officer. This matter is currently awaiting determination on a Motion to Dismiss Plaintiff's Complaint, but has significant exposure of over $250,000.

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".

McGorty v. City – This is a case in which the plaintiff claims a hostile work environment and retaliation. The matter is currently settled for $250,000, but if the settlement is not finalized, additional costs and fees may result.

Mohammad v. City – The plaintiff claims a hostile work environment and wrongful termination. Depositions have taken place in the matter. Exposure is approximately $250,000. This matters is expected to settle or put on trial calendar by August 2014.

NOTE N. CONTINGENT LIABILITIES (continued)

Litigation (continued)

Nothrop v. City – Plaintiff asserts claims for violations of the NJ Law Against Discrimination based upon race, age and the creation of a hostile work environment. The age discrimination claim was dismissed, but not race. Recently, the Plaintiff's demand for settlement increased to $475,000. The discovery end date is scheduled for May 23, 2014.

Pappas v. City – This is a federal employment political discrimination/retaliation matter. This matter is still in discovery; however, there have been extensive settlement negotiations. The City's exposure may exceed $800,000 if the matter goes to trial and there is an adverse verdict against the City.

Sweeney v. City – Plaintiff claims workplace retaliation. This amount is settled for $312,500 pending approval by the City Council and Division of Community Affairs.

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 Plantiff's decedent's motorcycle with 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.

NOTE O. DEFICIENCY AND GUARANTEE AGREEMENTS

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. The City is presently seeking reimbursement from the MUA.

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.

NOTE P. REGIONAL CONTRIBUTION AGREEMENTS (continued)

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:

	Balance June 30, 2012	Cash Receipts	Cash Disbursements	Balance June 30, 2013	Cumulative 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
	$ 761,521	$ 1,465	$ 1,500	$ 761,486	$ 10,848,941

*Balances include both Contribution and Interest Accounts.

NOTE Q. SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 5, 2014, the date which the financial statements were available to be issued. The following material subsequent events have been noted:

On September 24, 2013, the City adopted the following ordinances:

- Ord. No. 13-040: Bond Ordinance providing for reconstruction of various sewers in and by the City, appropriating $2,800,000 therefor and authorizing the issuance of $2,665,000 Bonds or Notes of the City to Finance part of the cost thereof.
- Ord. No. 13-041: Bond Ordinance providing additional funding for various park improvements at Great Falls and pocket parks in and by the City, appropriating $696,000 therefor and authorizing the issuance of $348,000 Bonds or Notes of the City to finance part of the cost thereof.
- Ord. No. 13-042: Bond Ordinance providing for various capital improvements of the City, appropriating the aggregate amount of $5,073,000 therefor and authorizing the issuance of $4,830,000 Bonds or Notes of the City to finance part of the cost thereof.
- Ord. No. 13-043: Ordinance appropriating $1,485,000 from the Capital Surplus Fund for the acquisition of street sweepers and financial record-keeping software and the conversion of financial record-keeping systems in and by the City.

On March 11, 2014, the City adopted Ord. No. 14-009 authorizing a Special Emergency Appropriation in the amount of $1,650,000 for the funding of a portion of the accrued sick, vacation and related expenses arising from the unexpected retirement of certain City employees. In addition, a resolution authorizing the issuance of $1,650,000 Special Emergency Notes for the funding of a portion of the accrued sick, vacation and related expenses arising from the unexpected retirement of certain City employees was approved by the City on February 19, 2014.

On April 8, 2014, the City passed Resolution No. 14-215 authorizing an Emergency Appropriation pursuant to N.J.S.A. 40A:4-46 to fund snow removal and pothole repairs in the amount of $800,000. In accordance with N.J.S.A. 40A:4-47, this emergency shall be provided for in full in the operating budget of the year ended June 30, 2015.

On April 22, 2014, the City introduced Refunding Bond Ord. No. 14-021 providing for the funding of an Emergency Appropriation to fund a portion of settlement of tax appeals. Application was made to the Local Finance Board to fund these appeals through the issuance of $3,300,000 in refunding bonds.

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

City of Paterson
FY 2012

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

Current Fund Schedules

City of Paterson
FY 2013

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF CASH - TREASURER

	Ref.	Current Fund		Federal and State Grant Fund	
Balance: June 30, 2012	A		$ 11,083,435		$ 1,599,492
Increased by:					
Miscellaneous Revenues Not Anticipated	A-2b	$ 754,010		$ -	
Current Year Appropriations	A-3a	2,445,794		-	
Collector	A-5	241,692,461		-	
Revenue Accounts Receivable	A-15	61,180,356		-	
Interfunds	A-17	77,680,995		-	
Appropriation Reserves	A-18	385,998		-	
Special Emergency Notes Payable	A-27	4,370,000		-	
State Library Aid	A-30	96,701		-	
Allocate Interfunds	A-36	-		930,677	
			388,606,315		930,677
			399,689,750		2,530,169
Decreased by:					
Refund of Prior Year's Revenue	A-1	4,643		-	
Tax Receipts Refunded - Current Taxes	A-2a	8,460,784		-	
Miscellaneous Revenues Not Anticipated	A-2b	4,657		-	
Current Year Appropriations	A-3a	206,779,001		-	
Revenue Accounts Receivable	A-15	33,695		-	
Interfunds	A-17	73,386,147		-	
Appropriation Reserves	A-18	8,633,073		-	
Requisitions and Accounts Payable	A-19	39,646		-	

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF CASH - TREASURER

	Ref.	Current Fund		Federal and State Grant Fund	
Decreased by:					
Tax Overpayments	A-21	$ 5,501,504		$ -	
Other Reserves	A-22	1,029,370		-	
School Taxes Payable	A-25	39,360,759		-	
County Taxes Payable	A-26	39,989,835		-	
Special Emergency Notes Payable	A-27	1,374,000		-	
Accrued Sick and Vacation Time	A-28	9,602		-	
State Library Aid	A-30	92,780		-	
Library Fines and Donations	A-31	94,526		-	
Revaluation	A-34	400		-	
Allocate Interfunds	A-36	-		1,599,492	
			384,794,422		1,599,492
Balance: June 30, 2013	A		$ 14,895,328		$ 930,677

Exhibit A-5

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF CASH - COLLECTOR

	Ref.		
Balance: June 30, 2012			$ -
Increased by:			
Tax Receipts - Current Taxes	A-2a	$ 219,459,791	
Tax Receipts - Delinquent Taxes	A-2a	281,631	
Tax Title Liens Receivable	A-9	2,146,950	
Sewer Charges Receivable	A-10	7,676,102	
Sewer Liens Receivable	A-11	191,180	
Demolition Liens Receivable	A-12	22,700	
Revenue Accounts Receivable	A-15	11,299,343	
Prepaid Taxes	A-20	148,506	
Other Reserves	A-22	462,766	
Prepaid Sewers	A-23	3,492	
			241,692,461
			241,692,461
Decreased by:			
Disbursed to Treasurer	A-4		241,692,461
Balance: June 30, 2013			$ -

Exhibit A-6

SCHEDULE OF CHANGE FUND

	Ref.	
Balance: June 30, 2013 and 2012	A	$ 685

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year Ended June 30,	Balance, June 30, 2012	2013 Tax Levy	Added Taxes	Collections: By Cash Receipts - Net of Refunds 2012	Collections: By Cash Receipts - Net of Refunds 2013	Collections: By Discounts Allowed	Collections: Other	Canceled	Transferred to Tax Title Liens	Balance, June 30, 2013
1999	$ 38	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 38
2000	40	-	-	-	-	-	-	-	-	40
2001	1,113	-	-	-	-	-	-	-	-	1,113
2004	5	-	-	-	3,746	-	-	(3,746)	-	5
2005	50	-	-	-	-	-	-	-	-	50
2006	-	-	-	-	-	-	-	(1,714)	1,714	-
2007	-	-	-	-	-	-	-	(3,384)	3,384	-
2008	-	-	-	-	2,625	-	-	(2,625)	-	-
2009	-	-	-	-	52,801	-	1,790	(65,910)	11,319	-
2010	109	-	-	-	16,914	-	(1,790)	(43,725)	28,596	114
2011	15,650	-	-	-	39,535	-	2,554	(59,711)	21,944	11,328
2012	162,040	-	625	-	166,010	3,250	86,680	(152,427)	58,527	625
Total Prior Years	179,045	-	625	-	281,631	3,250	89,234	(333,242)	125,484	13,313
2013	-	225,395,377	-	124,390	210,090,196	311,500	267,446	10,570,888	4,004,873	26,084
	$ 179,045	$ 225,395,377	$ 625	$ 124,390	$ 210,371,827	$ 314,750	$ 356,680	$ 10,237,646	$ 4,130,357	$ 39,397
Ref.	A			A-2a, A-20	A-2a	A-2a, A-8			A-9	A

Unallocated Taxes	A-22	$ 356,702
Credit Write-Off	A-1	(22)
	A-2a	$ 356,680

Tax Yield:

General Purpose	$ 225,164,544
Added and Omitted Taxes	230,833
	$ 225,395,377

Tax Levy:

Total Local District School Tax		$ 39,360,759
County Tax		
General County Taxes	$ 39,165,722	
County Open Space Taxes	704,150	
Added and Omitted County Taxes	43,780	
Total County Tax		39,913,652
Minimum Library Tax		2,550,700
Local Tax for Municipal Purposes		
Local Tax for Municipal Purposes	137,335,758	
Local Tax for Municipal Purposes (Added)	187,053	
Add: Additional Tax Levied	6,047,455	
Total Local Tax for Municipal Purposes		143,570,266
		$ 225,395,377

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

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

	Ref.				
Balance: June 30, 2012	A			$	145,750
Increased by:					
Senior Citizens' Deductions per Tax Billings		$	146,750		
Veterans' Deductions per Tax Billings			182,000		
Deductions Allowed by Tax Collector:					
Current Year					
Veterans			1,875		
Senior Citizens			4,250		
Prior Year					
Veterans			1,375		
Senior Citizens			1,875		
2% Administrative Fee	A-2b		6,025		
					344,150
					489,900
Decreased by:					
Deductions Disallowed by Tax Collector:					
Current Year					
Senior Citizens			23,375		
Disallowed by State Audit	A-1		307,275		
Sr. Citizen Adjustment	A-1		625		
					331,275
Balance: June 30, 2013	A			$	158,625

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

Current Year Senior Citizens' Deductions:					
As Set Forth by Tax Assessor		$	146,750		
Allowed by Tax Collector			4,250		
Disallowed by Tax Collector			(23,375)		
Current Year Veterans' Deductions:					
As Set Forth by Tax Assessor			182,000		
Allowed by Tax Collector			1,875		
Share of Senior Citizens' and Veterans' Deductions	A-7			$	311,500
Prior Year Senior Citizens' Deductions:					
Allowed by Tax Collector		$	1,875		
Prior Year Veterans' Deductions:					
Allowed by Tax Collector			1,375		
	A-7				3,250
	A-7			$	314,750

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	Ref.		
Balance: June 30, 2012	A		$ 7,998,200
Increased by:			
Transfer from Taxes	A-7	$ 4,130,357	
Added		275	
Interest and Costs on Tax Sale		101,855	
			4,232,487
			12,230,687
Decreased by:			
Cancelled		150,500	
Cash Receipts	A-2a, A-5	2,146,950	
			2,297,450
Balance: June 30, 2013	A		$ 9,933,237

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF SEWER CHARGES RECEIVABLE

	Ref.				
Balance: June 30, 2012	A			$	311,420
Increased by:					
Credit Write-Off - Current Charges	A-2a	$	264		
Credit Write-Off - Prior Year Charges	A-2a		563		
	A-1		827		
Billings			8,245,565		
Overpayments	A-2a, A-24		31,865		
Adjustments			1,886		
					8,280,143
					8,591,563
Decreased by:					
Unallocated Sewer Receipts - Current Charges	A-2a		2,528		
Unallocated Sewer Receipts - Prior Year Charges	A-2a		3,433		
	A-22		5,961		
Transfer to Sewer Liens Receivable	A-11		368,403		
Prior Year Prepaid Applied	A-2a, A-23		23,618		
Overpayments	A-2a, A-24		8,896		
Cancellations			58,542		
Cash Receipts	A-5		7,676,102		
					8,141,522
Balance: June 30, 2013	A			$	450,041
Analysis of Cash Receipts:					
Current Year Sewer Charges	A-2a	$	6,455,322		
Prior Year Sewer Charges	A-2a		220,780		
Additional Sewer Charges	A-2a		1,000,000		
		$	7,676,102		

Exhibit A-11

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF SEWER LIENS RECEIVABLE

	Ref.		
Balance: June 30, 2012	A		$ 763,573
Increased by:			
Transfer from Sewer Charges Receivable	A-10	$ 368,403	
Other Adjustments		1,753	
Interest and Costs on Sale		16,146	
			386,302
			1,149,875
Decreased by:			
Cash Receipts	A-5, A-2a	191,180	
Cancelled		30	
			191,210
Balance: June 30, 2013	A		$ 958,665

Exhibit A-12

SCHEDULE OF DEMOLITION LIENS RECEIVABLE

	Ref.		
Balance: June 30, 2012	A		$ 607,885
Increased by:			
Billings			174,050
			781,935
Decreased by:			
Cash Receipts - CDBG Program Income	A-2a, A-5	$ 22,700	
Cancellations		13,060	
			35,760
Balance: June 30, 2013	A		$ 746,175

Exhibit A-13

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION

	Ref.	
Balance: June 30, 2013	A	$ 5,107,360

Exhibit A-14

SCHEDULE OF SALES CONTRACTS RECEIVABLE -
PROPERTY ACQUIRED FOR TAXES

	Ref.	
Balance: June 30, 2013 and 2012	A	$ 25,000

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance June 30, 2012	Accrued	Collections		Balance June 30, 2013
			Collector	Treasurer	
LOCAL REVENUES					
Licenses:					
Alcoholic Beverages	$ -	$ 198,567	$ 198,567	$ -	$ -
Other Licenses	-	145,939	145,939	-	-
Fines and Costs:					
Municipal Court	-	4,108,865	-	4,108,865	-
Interest and Costs on Taxes	-	2,071,913	2,071,913	-	-
Interest on Investments and Deposits	-	32,485	-	32,485	-
Interest on Delinquent Sewer Charges	-	189,508	189,508	-	-
Department of Public Works	-	180,285	180,285	-	-
Division of Health	-	817,419	817,419	-	-
City-Wide Recycling Revenues	-	295,912	-	295,912	-
Board of Adjustment	-	112,946	112,946	-	-
Sale of Copies of Public Records	-	30,464	30,464	-	-
Ambulance Fees	-	2,665,211	2,665,211	-	-
Municipal Towing Contract Fees	-	79,723	-	79,723	-
FD Combustibles Inspection Revenues	-	284,662	284,662	-	-
Livery and Taxi License Fees	-	115,375	115,375	-	-
STATE AID WITHOUT OFFSETTING APPROPRIATIONS					-
Consolidated Municipal Property Tax Relief	-	12,604,243	-	12,604,243	-
Energy Receipts Tax	-	20,118,557	-	20,118,557	-
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, 2013

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance June 30, 2012	Accrued	Collections Collector	Collections Treasurer	Balance June 30, 2013
STATE AID WITHOUT OFFSETTING APPROPRIATIONS - continued					
Building Aid Allowances for School Aid	$ -	$ 381,296	$ 381,296	$ -	$ -
Watershed Moratorium Offset Aid	-	329	-	329	-
Transitional Aid	-	22,370,000	-	22,370,000	-
DEDICATED UNIFORM CONSTRUCTION CODE FEES					
OFFSET WITH APPROPRIATIONS					
Uniform Construction Code Fees					
Fees and Permits					
Construction Code Official	-	708,566	708,566	-	-
Other	-	576,716	576,716	-	-
OTHER SPECIAL ITEMS					
Payments in Lieu of Taxes					
Aspen Hamilton	-	82,443	82,443	-	-
Colt Arms	-	205,676	205,676	-	-
Federation Apartments	-	171,528	171,528	-	-
Governor Paterson Towers	-	571,610	571,610	-	-
504 Madison Avenue	-	138,441	138,441	-	-
Incca for Housing - Carroll Street	-	125,028	125,028	-	-
Incca for Housing - North Triangle	-	145,107	145,107	-	-
Cooke Building Associates	-	16,632	16,632	-	-
Jackson Slater	-	200,233	200,233	-	-
Essex - Phoenix Mill	-	153,778	153,778	-	-

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance June 30, 2012	Accrued	Collections		Balance June 30, 2013
			Collector	Treasurer	
OTHER SPECIAL ITEMS - continued					
Payments in Lieu of Taxes - continued					
Brooke Sloate	$ -	$ 152,125	$ 152,125	$ -	$ -
Rosa Park - 400 Broadway	-	54,167	54,167	-	-
Garret Heights	-	185,192	185,192	-	-
Christopher Columbus Development	-	112,488	112,488	-	-
446-460 E. 19th Street	-	18,556	18,556	-	-
Belmont/McBride Apartments	-	13,765	13,765	-	-
Sheltering Arms	-	12,136	12,136	-	-
Hope 98 North Main Scatted Sites	-	22,362	22,362	-	-
Hope 98 Beech Street	-	32,798	32,798	-	-
Hope 98 Van Houten Street	-	14,090	14,090	-	-
Rising Dove Senior Housing	-	28,261	28,261	-	-
Paterson Housing Authority	-	80,000	80,000	-	-
200 Godwin Avenue	-	24,891	24,891	-	-
Congdon Mill	-	79,052	79,052	-	-
Heritage - Alexander Hamilton	-	75,332	75,332	-	-
Prior Year Audit Adjustment					
Belmont Towers - 2007	-	14,310	14,310	-	-
Brooke Sloate	-	3,063	3,063	-	-
Cable Communication Third Party Rent	-	340,000	-	340,000	-
US Cable of Paterson Franchise Fees	-	284,770	-	284,770	-
Capital Surplus	-	64,300	-	64,300	-

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance June 30, 2012	Accrued	Collections Collector	Collections Treasurer	Balance June 30, 2013
OTHER SPECIAL ITEMS - continued					
Sewer Rent - Third Party	$ -	$ 70,643	$ 70,643	$ -	$ -
Sewer Rent Third Party Prior Year	-	16,769	16,769	-	-
City of Paterson Parking Authority					-
Cooperative Agreement 7/1 - 12/31/12	-	204,000	-	204,000	-
Cooperative Agreement 1/1 - 6/30/13	-	204,000	-	204,000	-
PVWC Fire Hydrant Testing Reimbursement	-	196,500	-	196,500	-
Trust Fund Surplus	-	15,000	-	15,000	-
PVSC Rebate Incentive Program	-	14,511	-	14,511	-
Private Host Benefit Fees	-	236,822	-	236,822	-
Private Host Benefit Fees Prior Year	-	37,466	-	37,466	-
Recycling Tire Fees	-	8,158	-	8,158	-
Additional Ambulance Fees -					-
Shared Service Agreement	-	182,800	-	182,800	-
Verizon Franchise Fees	-	88,998	-	88,998	-
Passaic County Community College Rent	-	10,000	-	10,000	-
Housing Authority Garbage Reimbursement	-	95,000	-	95,000	-
FEMA Reimbursements - 2011 Storms	-	348,535	-	348,535	-
Classic Towing Prior Year	-	9,789	-	9,789	-
Motor Vehicle Agency Security Reimbursement					
Prior Year	-	47,998	-	47,998	-
Current Year	-	239,988	-	239,988	-
Additional Fire Inspection Fees	-	428,326	-	428,326	-

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance June 30, 2012	Accrued	Collections Collector	Collections Treasurer	Balance June 30, 2013
OTHER SPECIAL ITEMS - continued					
Insurance Reimbursements	$ -	$ 100,000	$ -	$ 100,000	$ -
Health Premiums	-	1,501,776	-	1,501,776	-
Total Revenue and Other Credits to Income	$ -	$ 75,836,933	$ 11,299,343	$ 64,537,590	$ -
Ref.		A-2a	A-5		
Cash Receipts		A-4	$ 61,180,356		
Miscellaneous Revenue Not Anticipated		A-2b	13,363		
Capital Fund Surplus		A-17	64,300		
Qualified Bonds Paid by State		A-3a	3,988,283		
				$ 65,246,302	
Less:					
Miscellaneous Revenue Not Anticipated		A-2b	347,036		
Cash Disbursements		A-4	33,695		
Reclass as Grant Receipt		A-17	4,093		
Appropriation Reserves Charged		A-18	1,350		
Re-Allocated from Other Reserves		A-22	295,738		
ABC License Surcharge Transferred to Reserve		A-32	26,800		
				708,712	
				$ 64,537,590	

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF DEFERRED CHARGES

	Ref.		
Balance: June 30, 2012	A		$ 9,790,675
Increased by:			
Emergency Authorizations:			
Revaluation of Properties	A-1	$ 2,100,000	
Contractual Severance Liabilities	A-1	2,270,000	
	A-3a		4,370,000
			14,160,675
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	
Cash Deficit - 2012		2,326,675	
	A-3a	3,700,675	
Deferred Charges Raised by Ordinance for Tax Appeals:			
Cash Deficit - 2012	A-17	1,400,000	
			5,100,675
Balance: June 30, 2013	A		$ 9,060,000

Analysis of Balance:	
Special Emergency Appropriation:	
Revaluation	$ 2,100,000
Accrued Sick and Vacation Time - FY 2013	2,270,000
Accrued Sick and Vacation Time - FY 2012	2,272,000
Accrued Sick and Vacation Time - FY 2011	2,418,000
	$ 9,060,000

Exhibit A-17

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE)

	Ref.	Total	General Capital	Grants Fund	Other Trust				
					Other	Private Duty	Private Duty	SID	CDBG
Increased by Credits:									
Transfers	contra	$ 78,706	$ 29,522	$ 49,184	$ -	$ -	$ -	$ -	$ -
State and Federal Grants Budget	A-3a	13,409,270	-	13,409,270	-	-	-	-	-
Reclass - Revenue	A-15	4,093	-	4,093	-	-	-	-	-
Life Hazard Use Fees	A-3a	276,253	-	276,253	-	-	-	-	-
State and Federal Grants Matching	A-3a	45,755	-	45,755	-	-	-	-	-
Cash Receipts	A-4	77,680,995	49,999,239	13,712,667	112,500	524,526	4,145,360	1,120	9,185,583
Capital Improvement Fund Appropriation	A-3a	300,000	300,000	-	-	-	-	-	-
Chargebacks to Budget	A-3a	1,226,523	3,500	1,222,131	-	-	-	-	892
Appropriation Reserves Reimbursed	A-18	48,654	16,328	32,326	-	-	-	-	-
Charges to Operations	A-1	65,330	-	63,209	-	-	-	-	2,121
Demolition Liens	A-2a	22,700	-	-	-	-	-	-	22,700
Total Increases		93,158,279	50,348,589	28,814,888	112,500	524,526	4,145,360	1,120	9,211,296
Decreased by Debits:									
Transfers	contra	78,706	-	29,522	-	-	-	-	49,184
Appropriation Reserves	A-18	115,453	-	96,214	-	-	-	-	19,239
Miscellaneous Revenues Not Anticipated	A-2b	176,413	-	162,086	-	-	-	-	14,327
State and Federal Grants Budget	A-2a	13,409,270	-	13,409,270	-	-	-	-	-
Budget Reimbursements	A-3a	1,506,673	15,441	1,446,563	-	7,846	-	-	36,823
Unallocated Receipts	A-22	230	-	230	-	-	-	-	-
Tax Appeals	A-33	2,671,519	2,671,519	-	-	-	-	-	-
Surplus Anticipated	A-15	64,300	64,300	-	-	-	-	-	-
Deferred Charges Funded by Ordinance	A-16	1,400,000	1,400,000	-	-	-	-	-	-
Life Hazard Use Fees	A-2a	276,253	-	276,253	-	-	-	-	-
Charges to Operations	A-1	73,315	-	73,315	-	-	-	-	
Cash Disbursements	A-4	73,386,147	46,197,329	13,321,435	112,500	516,680	4,145,360	1,120	9,091,723
Total Decreases		93,158,279	50,348,589	28,814,888	112,500	524,526	4,145,360	1,120	9,211,296
Balance: June 30, 2013		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF APPROPRIATION RESERVES

	Balance: June 30, 2012		Balance After	Accounts	Paid or	Balance
	Reserved	Encumbered	Transfers	Payable	Charged	Lapsed
(A) Operations - Within "CAPS"						
GENERAL GOVERNMENT						
Office of the Mayor						
Salaries and Wages	$ 8,285	$ -	$ 8,135	$ -	$ 8,135	$ -
Other Expenses	3,758	1,739	5,497	-	4,278	1,219
City Council						
Salaries and Wages	21,693	-	6,509	-	5,928	581
Other Expenses	15,145	16,307	44,952	4,288	39,761	903
Office of the City Clerk						
Salaries and Wages	1,797	-	-	-	-	-
Other Expenses	19,480	6,366	45,346	5,300	37,616	2,430
Elections						
Salaries and Wages	4	-	-	-	-	-
Other Expenses	97,304	22,719	87,792	5,404	62,748	19,640
Insurance						
Other Expenses	341,225	2,018,568	2,986,841	-	2,981,785	5,056
Insurance - Worker Compensation	947	350,640	498,587	-	498,539	48
Insurance - Liability	24,222	483,001	550,847	250,000	276,701	24,146
Auditing Services and Costs						
Annual Audit	41,000	-	41,000	-	36,000	5,000
Other Audits	25,000	-	25,000	-	19,000	6,000
Cultural Affairs						
Salaries and Wages	4	-	-	-	-	-
Other Expenses	35,580	2,853	6,433	-	1,878	4,555

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF APPROPRIATION RESERVES

	Balance: June 30, 2012		Balance After	Accounts	Paid or	Balance
	Reserved	Encumbered	Transfers	Payable	Charged	Lapsed
DEPARTMENT OF ADMINISTRATION						
Office of the Business Administrator						
Salaries and Wages	$ 74,840	$ -	$ 50,840	$ -	$ -	50,840
Other Expenses	16,696	7,359	24,055	-	10,945	13,110
Division of Personnel						
Salaries and Wages	22,184	-	6,146	-	6,146	-
Other Expenses	3,635	4,391	26,026	-	24,805	1,221
Division of Purchasing						
Salaries and Wages	439	-	-	-	-	-
Other Expenses	513	984	2,397	-	2,045	352
Division of Data Processing						
Salaries and Wages	820	-	-	-	-	-
Other Expenses	33,479	83,994	117,473	32,575	72,600	12,298
Surveys and General - Other Expenses	11,027	3,907	14,934	3,562	10,911	461
DEPARTMENT OF FINANCE						
Office of the Director						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	30,758	2,058	28,316	-	19,527	8,789
Division of Treasury						
Salaries and Wages	1,858	-	-	-	-	-
Other Expenses	10,295	2,307	8,602	-	1,285	7,317
Division of Accounts and Control						
Salaries and Wages	3,647	-	1,647	-	1,263	384
Other Expenses	1,029	3,124	4,153	-	3,688	465
Division of Sewer Collection						
Salaries and Wages	1,433	-	-	-	-	-
Other Expenses	2,031	223	2,254	-	133	2,121

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF APPROPRIATION RESERVES

	Balance: June 30, 2012		Balance After	Accounts	Paid or	Balance
	Reserved	Encumbered	Transfers	Payable	Charged	Lapsed
DEPARTMENT OF FINANCE - continued						
Division of Assessments						
Salaries and Wages	$ 5,559	$ -	$ 5,559	$ -	$ -	$ 5,559
Other Expenses	74	21,302	32,876	-	30,217	2,659
Division of Revenue Collection						
Salaries and Wages	307	-	-	-	-	-
Other Expenses	50,625	15,158	55,783	-	40,400	15,383
Office of Internal Audit						
Salaries and Wages	617	-	-	-	-	-
Other Expenses	4,846	203	49	-	29	20
DEPARTMENT OF LAW						
Office of the Corporation Counsel						
Salaries and Wages	6,347	-	-	-	-	-
Other Expenses	57,167	1,948	39,115	-	9,121	29,994
DEPARTMENT OF PUBLIC SAFETY						
Taxicab Division						
Salaries and Wages	76	-	-	-	-	-
Other Expenses	6,160	76	1,236	-	335	901
Division of Fire						
Salaries and Wages	21,773	-	-	-	-	-
Other Expenses	16,953	88,975	143,928	-	143,928	-
Division of Police						
Salaries and Wages	10,251	-	10,251	-	10,251	-
Other Expenses	168,487	376,393	394,880	99,720	244,748	50,412

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF APPROPRIATION RESERVES

	Balance: June 30, 2012		Balance After	Accounts	Paid or	Balance
	Reserved	Encumbered	Transfers	Payable	Charged	Lapsed
DEPARTMENT OF PUBLIC WORKS						
Office of the Director						
Salaries and Wages	$ 1	$ -	$ 1	$ -	$ -	$ 1
Other Expenses	4,524	5,874	10,398	-	7,109	3,289
Division of Engineering						
Salaries and Wages	3,649	-	-	-	-	-
Other Expenses	33,609	42,042	75,651	-	62,909	12,742
Division of Traffic and Lighting						
Salaries and Wages	1,473	-	-	-	-	-
Other Expenses	1,400	12,214	27,114	-	13,742	13,372
Division of Water and Sewers						
Salaries and Wages	461	-	-	-	-	-
Other Expenses	27,438	254,254	318,692	-	296,406	22,286
Sewer Repairs	50,000	-	-	-	-	-
Division of Streets						
Salaries and Wages	1,269	-	-	-	-	-
Other Expenses	800	189	31,989	-	25,494	6,495
Street Repair	47,336	26,669	64,005	-	44,379	19,626
Snow Removal						
Other Expenses	950	10,287	-	-	-	-
Division of Auto Maintenance						
Salaries and Wages	276	-	-	-	-	-
Other Expenses	7,625	52,722	100,347	-	95,153	5,194
Division of Public Properties						
Parks and Shade Trees Section						
Salaries and Wages	154	-	-	-	-	-
Other Expenses	67,399	54,993	80,392	-	80,392	-

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF APPROPRIATION RESERVES

	Balance: June 30, 2012		Balance After	Accounts	Paid or	Balance
	Reserved	Encumbered	Transfers	Payable	Charged	Lapsed
DEPARTMENT OF PUBLIC WORKS - continued						
Public Buildings Section						
Salaries and Wages	$ 1,515	$ -	$ 4,139	$ -	$ 4,139	$ -
Other Expenses	189,317	102,612	266,929	-	266,929	-
Division of Recreation						
Salaries and Wages	3,596	-	-	-	-	-
Other Expenses	47,575	73,211	122,786	1,028	117,132	4,626
Division of Recycling						
Other Expenses	51,972	10,539	42,511	115	32,111	10,285
Cable Communications						
Salaries and Wages	1,342	-	-	-	-	-
Other Expenses	5,992	18,622	24,614	-	19,557	5,057
DEPARTMENT OF COMMUNITY DEVELOPMENT						
Division of Planning and Zoning						
Salaries and Wages	2,235	-	-	-	-	-
Other Expenses	3,539	4,244	7,783	-	4,878	2,905
Division of Community Improvements						
Salaries and Wages	2,084	-	-	-	-	-
Other Expenses	24,034	5,700	24,734	-	19,658	5,076
Division of Economic Development						
Salaries and Wages	469	-	-	-	-	-
DEPARTMENT OF HUMAN SERVICES						
Office of the Director						
Salaries and Wages	962	-	-	-	-	-
Other Expenses	197	198	1,470	-	1,422	48

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF APPROPRIATION RESERVES

	Balance: June 30, 2012		Balance After	Accounts	Paid or	Balance
	Reserved	Encumbered	Transfers	Payable	Charged	Lapsed
DEPARTMENT OF HUMAN SERVICES - continued						
Office of Aging and Disabled Services						
Salaries and Wages	$ 5,319	$ -	$ -	$ -	$ (5,865)	$ 5,865
Other Expenses	12,049	374	5,423	-	909	4,514
Social Services	193,337	75,346	268,683	-	167,449	101,234
Division of Consumer Protection						
Salaries and Wages	948	-	-	-	-	-
Other Expenses	2,651	2,647	5,298	-	2,416	2,882
Division of Youth Services						
Salaries and Wages	578	-	-	-	-	-
Other Expenses	4,571	3,411	8,982	-	8,535	447
Division of Health						
Salaries and Wages	2,055	-	-	-	(2,757)	2,757
Other Expenses	13,980	52,390	68,370	-	66,597	1,773
STATUTORY AGENCIES						
Museum						
Salaries and Wages	408	-	-	-	-	-
Other Expenses	11,953	5,057	17,010	-	4,173	12,837
Board of Adjustment						
Salaries and Wages	7,220	-	3,220	-	1,065	2,155
Other Expenses	2,863	4,945	9,808	-	8,643	1,165
Office of Emergency Management						
Salaries and Wages	723	-	-	-	-	-
Other Expenses	19,613	8,536	4,149	-	1,751	2,398
Planning Board						
Salaries and Wages	9,218	-	6,218	-	3,913	2,305
Other Expenses	16,575	926	16,501	-	1,345	15,156

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF APPROPRIATION RESERVES

	Balance: June 30, 2012		Balance After	Accounts	Paid or	Balance
	Reserved	Encumbered	Transfers	Payable	Charged	Lapsed
STATUTORY AGENCIES - continued						
Youth Guidance Council						
Other Expenses	$ 4,334	$ 3,492	$ 7,826	$ -	$ 2,642	$ 5,184
Historic Preservation Commission						
Salaries and Wages	1,903	-	-	-	-	-
Other Expenses	9,589	1,190	5,779	-	2,161	3,618
Municipal Court						
Salaries and Wages	5,804	-	-	-	-	-
Other Expenses	36,390	4,565	40,955	-	37,031	3,924
UNCLASSIFIED						
Electricity	17,600	229,747	247,347	-	245,963	1,384
Street Lighting	-	312,801	399,909	-	399,909	-
Telephone Service	28,607	84,835	113,442	-	103,502	9,940
Gas	3,563	281,825	35,388	-	33,300	2,088
Fuel Oil	2,000	8,035	-	-	-	-
Gasoline	14,442	155,651	155,093	-	152,611	2,482
Solid Waste	414,380	1,305,174	1,474,554	-	1,467,296	7,258
(E) Deferred Charges and Statutory Expenditures within "CAPS"						
(2) STATUTORY EXPENDITURES						
Contribution to:						
Public Employees Retirement System (PERS)	13,448	-	13,448	-	10,129	3,319
Social Security System (O.A.S.I.)	15,372	-	867	-	(3,375)	4,242
Consolidated Police and Fire Retirement Fund	4,384	-	-	-	-	-
Defined Contribution Retirement Program	679	-	679	-	679	-
Medicare	1,092	-	203	-	(789)	992
State Disability	43	-	-	-	(420)	420

See Accompanying Notes to Financial Statements

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF APPROPRIATION RESERVES

	Balance: June 30, 2012		Balance After	Accounts	Paid or	Balance
	Reserved	Encumbered	Transfers	Payable	Charged	Lapsed
(A) Operations - Excluded From "CAPS"						
Maintenance of Free Public Libraries						
Salaries and Wages	$ 3,648	$ 10,188	$ 13,836	$ -	$ 13,059	$ 777
Hurricane Irene	-	31,110	31,110	-	31,110	-
(C) Capital Improvements - Excluded from "CAPS"						
Acquisition, Remediation of Public Property	200,000	-	200,000	55,901	144,099	-
TOTAL GENERAL APPROPRIATIONS	$ 2,863,902	$ 6,771,210	$ 9,635,112	$ 457,893	$ 8,593,237	$ 583,982
Ref.	A	A-19		A-19		A-1

Cash Disbursements	A-4	$ 8,633,073	
Reclass to Current Year Budget	A-3a	417,554	
Reimburse Interfunds	A-17	48,654	
			$ 9,099,281
Less:			
Cash Receipts	A-4	385,998	
Reimbursed by Interfunds	A-17	115,453	
Reimbursed by State Library Aid	A-30	3,243	
Reclassifcation of Receipt	A-15	1,350	
			506,044
			$ 8,593,237

See Accompanying Notes to Financial Statements

Exhibit A-19

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF REQUISITIONS AND ACCOUNTS PAYABLE

	Ref.		
Balance: June 30, 2012	A		$ 7,918,539
Increased by Open Contracts and Purchase Orders:			
2012 Appropriation Reserves	A-18	$ 457,893	
2013 Budget Appropriations	A-3	5,424,365	
Reserve for State Library Aid	A-30	10,246	
			5,892,504
			13,811,043
Decreased by:			
Cash Disbursements	A-4	39,646	
Accounts Payable Cancelled	A-1	221,635	
Opening Requisition Balances Added to:			
2012 Appropriation Reserves	A-18	6,771,210	
Reserve for State Library Aid	A-30	44,476	
			7,076,967
Balance: June 30, 2013	A		$ 6,734,076

Requisitions Payable	$ 5,434,611
Accounts Payable	1,299,465
	$ 6,734,076

Exhibit A-20

SCHEDULE OF PREPAID TAXES

	Ref.		
Balance: June 30, 2012	A		$ 124,390
Increased by:			
Cash Receipts	A-5		148,506
			272,896
Decreased by:			
Applied to Current Year Taxes	A-7	$ 124,390	
Charge to Operations	A-1	206	
Unallocated	A-22	19,070	
			143,666
Balance: June 30, 2013	A		$ 129,230

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF TAX OVERPAYMENTS

	Ref.		
Balance: June 30, 2012	A		$ 2,072,232
Increased by:			
Transfer from Reserve for State Tax Appeals	A-33	$ 4,365,303	
Budget Appropriation	A-3a	30,000	
From Current Taxes	A-2a	908,655	
Overpayments Funded by Operations	A-1	65,283	
			5,369,241
			7,441,473
Decreased by:			
Cash Disbursements	A-4		5,501,504
Balance: June 30, 2013	A		$ 1,939,969

Exhibit A-22

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF OTHER RESERVES

	Ref.	Total	Property Tax Suspense	Other Reserve	Unallocated Taxes	Unallocated Sewer
Balance: June 30, 2013	A	$ 82,250	$ 82,250	$ -	$ -	$ -
Increased by Credits:						
Transfers	contra	61,368	-	61,368	-	-
Prepaid Tax	A-20	19,070	-	-	19,070	-
Cash Receipts	A-5	462,766	454,266	8,500	-	-
Miscellaneous Revenues Not Anticipated	A-2b	4,746	-	4,746	-	-
Chargebacks to Budget	A-3a	5,790	-	5,790	-	-
Reclass - Revenue	A-15	295,738	-	295,738	-	-
Charges to Operations	A-1	546,521	-	202,928	337,632	5,961
Interfunds	A-17	230	-	230	-	-
Total Increases		1,396,229	454,266	579,300	356,702	5,961
Decreased by Debits:						
Transfers	contra	61,368	61,368	-	-	-
Budget Reimbursements	A-3a	9	-	9	-	-
Sewer Revenue	A-10	5,961	-	-	-	5,961
Taxes	A-7	356,702	-	-	356,702	-
Charges to Operations	A-1	2,121	-	2,121	-	-
Cash Disbursements	A-4	1,029,370	452,200	577,170	-	-
Total Decreases		1,455,531	513,568	579,300	356,702	5,961
Balance: June 30, 2013	A	$ 22,948	$ 22,948	$ -	$ -	$ -

Exhibit A-23

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF PREPAID SEWERS

	Ref.	
Balance: June 30, 2012	A	$ 23,618
Increased by:		
Cash Receipts	A-5	3,492
		27,110
Decreased by:		
Applied to Current Year Charges	A-10	23,618
Balance: June 30, 2013	A	$ 3,492

Exhibit A-24

SCHEDULE OF SEWER OVERPAYMENTS

	Ref.		
Balance: June 30, 2012	A		$ 89,485
Increased by:			
Overpayments of 2013 Sewer Charges	A-10		31,865
			121,350
Decreased by:			
Adjustments to Charges	A-10	$ 8,896	
Reclassification	A-2b	27,251	
Cancellations	A-1	2,480	
			38,627
Balance: June 30, 2013	A		$ 82,723

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	Ref.	
Balance: June 30, 2012		$ -
Increased by:		
Levy - School Year July 1, 2012 to June 30, 2013	A-2a	39,360,759
		39,360,759
Decreased by:		
Cash Disbursements	A-4	39,360,759
Balance: June 30, 2013		$ -
2013 Liability for Local District School Tax:		
Tax Paid		$ 39,360,759
Tax Payable - June 30, 2013		-
		39,360,759
Less: Tax Payable June 30, 2012		-
Amount Charged to 2013 Operations	A-1	$ 39,360,759

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF COUNTY TAXES PAYABLE

	Ref.		
Balance: June 30, 2012	A		$ 76,183
Increased by:			
General County Levy		$ 39,165,722	
County Open Space Preservation Levy		704,150	
Due County for Added and Omitted Taxes		43,780	
	A-2a		39,913,652
			39,989,835
Decreased by:			
Cash Disbursements	A-4		39,989,835
Balance: June 30, 2013	A		$ -
2013 Liability for County Tax:			
Tax Paid			$ 39,989,835
Tax Payable - June 30, 2013			-
			39,989,835
Less: Tax Payable June 30, 2012			76,183
Amount Charged to 2013 Operations			$ 39,913,652
	A-1		$ 39,869,872
	A-1		43,780
			$ 39,913,652

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

Ordinance Number	Orginal Date of Issue	Orginal Amount	Date of Issue	Maturity Date	Interest Rate	Balance June 30, 2012	Notes Issued	Refunded	Paid by Appropriation	Balance June 30, 2013
Accrued Sick and Vacation Time										
11-011	02/08/2011	$ 4,030,000								
		(1)	6/6/2012	6/6/2013	2.250%	$ 1,470,000	$ -	$ (1,102,800)	$ 367,200	$ -
		(1)	6/4/2013	6/4/2014	2.000%	-	-	1,102,800	-	1,102,800
		(2)	6/6/2012	6/6/2013	2.875%	1,754,000	-	(1,315,200)	438,800	-
		(2)	6/4/2013	6/4/2014	2.125%	-	-	1,315,200	-	1,315,200
Accrued Sick and Vacation Time										
12-012	02/14/2012	2,840,000								
		(1)	6/6/2012	6/6/2013	2.250%	2,124,000	-	(1,699,200)	424,800	-
		(1)	6/4/2013	6/4/2014	2.000%	-	-	1,699,200	-	1,699,200
		(2)	6/6/2012	6/6/2013	2.875%	716,000	-	(572,800)	143,200	-
		(2)	6/4/2013	6/4/2014	2.125%	-	-	572,800	-	572,800
Accrued Sick and Vacation Time										
12-051	12/18/2012	2,270,000								
		(1)	6/4/2013	6/4/2014	2.000%	-	1,334,000	-	-	1,334,000
		(2)	6/4/2013	6/4/2014	2.125%	-	936,000	-	-	936,000
Revaluation										
13-011	03/26/2013	2,100,000								
		(1)	6/4/2013	6/4/2014	2.000%	-	2,100,000	-	-	2,100,000
						$ 6,064,000	$ 4,370,000	$ -	$ 1,374,000	$ 9,060,000
					Ref.	A	A-4		A-4	A

(1) Total Issue of $6,236,000 Tax-Exempt Notes
(2) Total Issue of $2,824,000 Federally Taxable Notes

Exhibit A-28

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR ACCRUED SICK AND VACATION TIME

	Ref.		
Balance: June 30, 2012	A		$ 973,724
Increased by:			
Special Emergency Appropriation	A-3a		2,270,000
			3,243,724
Decreased by:			
Cash Disbursements	A-4	$ 9,602	
Reimburse Current Year Appropriations	A-3a	2,708,285	
			2,717,887
Balance: June 30, 2013	A		$ 525,837

Exhibit A-29

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

	Ref.	
Balance: June 30, 2013 and 2012	A	$ 6,250

Exhibit A-30

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR STATE LIBRARY AID

	Ref.		
Balance: June 30, 2012	A		$ 20,079
Increased by:			
Cash Receipts	A-4	$ 96,701	
Prior Year Requisitions Payable	A-19	44,476	
			141,177
			161,256
Decreased by:			
Cash Disbursements	A-4	92,780	
Reimburse Appropriation Reserves	A-18	3,243	
Requisitions Payable	A-19	10,246	
			106,269
Balance: June 30, 2013	A		$ 54,987

Exhibit A-31

SCHEDULE OF RESERVE FOR LIBRARY FINES AND DONATIONS

	Ref.	
Balance: June 30, 2012	A	$ 98,692
Decreased by:		
Cash Disbursements	A-4	94,526
Balance: June 30, 2013	A	$ 4,166

Exhibit A-32

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR ABC LICENSE SURCHARGE

	Ref.		
Balance: June 30, 2012	A		$ 180,000
Increased by:			
Surcharges Collected	A-15		26,800
Balance: June 30, 2013	A		$ 206,800

Exhibit A-33

SCHEDULE OF RESERVE FOR STATE TAX APPEALS

	Ref.		
Balance: June 30, 2012	A		$ 200,000
Increased by:			
Appeals Funded by Operations	A-1	$ 1,493,784	
Appeals Refunded by Capital Ordinance	A-17	2,671,519	
Contested Amount of 2013 Taxes	A-2a	500,000	
			4,665,303
			4,865,303
Decreased by:			
From Tax Overpayments	A-21		4,365,303
Balance: June 30, 2013	A		$ 500,000

CITY OF PATERSON
CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR REVALUATION

	Ref.	
Balance: June 30, 2012	A	$ -
Increased by:		
Special Emergency Appropriation	A-3a	2,100,000
		2,100,000
Decreased by:		
Cash Disbursements	A-4	400
Balance: June 30, 2013	A	$ 2,099,600

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

Federal and State Grants Fund Schedules

City of Paterson
FY 2013

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Description	Balance, June 30, 2012	2013 Awards	Added by NJSA 40A:4-87	Cash Receipts	Re-Allocations / Cancellations	Balance, June 30, 2013
NJ DCED UEZ						
Main St. Façade Matching Grant	$ 59,950	$ -	$ -	$ 59,950	$ -	$ -
Main St. Improvement Program - Phase I FY04	23,996	-	-	(24,435)	-	48,431
Business Improvement Grant - Phase II	91,308	-	-	-	-	91,308
Marketing & Businesss Dev. - Phase II FY08	96,429	-	-	4,346	-	92,083
Sidewalk Matching Grant - Phase II FY08	18,233	-	-	-	-	18,233
Streetscape Planters Project	9,035	-	-	-	-	9,035
Sidewalk Matching Grant - Phase IV	15,000	-	-	-	15,000	-
Surveillance Cameras	1,170,900	-	-	840,307	-	330,593
Administration FY12	227,081	-	-	72,839	154,242	-
Small Business Dev. Centers FY12 Yr 13	51,642	-	-	38,099	13,543	-
NJ DOT Spruce - McBride Intersection	200,000	-	-	-	-	200,000
NJ DEP		-	-	-	-	
Municipal Storm Water Regulation Program	10,310	-	-	-	-	10,310
Historical Industrial Mill Buildings Survey	12,000	-	-	12,000	-	-
Recycling Tonnage Grant	-	238,701	-	238,701	-	-
Clean Communities	-	-	169,792	169,792	-	-
Blue Acres Fund	1,440,779	-	-	-	-	1,440,779
Passaic County Open Space						
Overlook Park Improvements	143,059	-	-	-	-	143,059
Mary Ellen Kramer Park Improvements	78,756	-	-	-	-	78,756
Buckley Park Improvements	5,350	-	-	-	5,350	-
Mary Ellen Kramer Park Imp. - Phase II	125,000	-	-	-	-	125,000
Mary Ellen Kramer Park Imp. - Phase III	50,000	-	-	-	-	50,000
Westside Park	4,169	-	-	2,169	2,000	-
Middle-Lower Raceway	45,000	-	-	-	-	45,000

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Description	Balance, June 30, 2012	2013 Awards	Added by NJSA 40A:4-87	Cash Receipts	Re-Allocations / Cancellations	Balance, June 30, 2013
Passaic County Open Space						
Overlook Park Amphitheater	$ 45,000	$ -	$ -	$ -	$ 45,000	$ -
Mary Ellen Kramer Park Imp. - Phase IV	95,000	-	-	-	-	95,000
Federici Park	20,000	-	-	20,000	-	-
Wrigley Park	824	-	-	824	-	-
Westside Park	57,000	-	-	-	57,000	-
Middle-Lower Raceway - Invest. & Design	500,000	-	-	-	460,000	40,000
Passaic River Waterfront Study	30,000	-	-	-	-	30,000
Analysis of Pocket Parks	30,000	-	-	-	-	30,000
Pennington Park Gazebo	175,000	-	-	-	-	175,000
Mary Ellen Kramer Park Rollover	-	-	-	-	(45,000)	45,000
Penning Park Rollover	-	-	-	-	(524,350)	524,350
NJ EDA Hazardous Discharge Site Remediation						
Addy Mill	30,432	-	-	-	-	30,432
River Walk	52,339	-	-	52,339	-	-
Mill Street	8,267	-	-	8,267	-	-
Cliff Street / Belmont Apartments	20,264	-	-	-	-	20,264
NJ DCA						
Smart Growth Transit Oriented Design Plan	45,000	-	-	45,000	-	-
Life Hazard Use Fees - LEA Rebate 2013	-	276,253	-	1	-	276,252
Life Hazard Use Fees - LEA Rebate 2012	204,874	-	-	200,982	3,892	-
Recreation Opp. for Individuals with Disabilities	-	13,000	-	-	-	13,000
US DHHS						
SAFER Grant	-	6,975,860	-	924,066	-	6,051,794
SPNS Grant	-	80,000	-	59,500	-	20,500
Ryan White HIV Program	-	1,516,532	-	473,516	-	1,043,016

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Description	Balance, June 30, 2012	2013 Awards	Added by NJSA 40A:4-87	Cash Receipts	Re-Allocations / Cancellations	Balance, June 30, 2013
US DHHS						
Ryan White HIV Program 3/1/11-2/28/12	$ 206,644	$ -	$ -	$ 173,200	$ 33,444	$ -
Minority Aids Initiative Program 3/1/12-2/28/13	335,954	-	-	335,654	300	-
SPNS Grant 2008 9/1/11 - 8/31/12	101,014	-	-	101,014	-	-
Ryan White HIV Program 3/1/12-2/28/13	3,787,807	-	-	3,739,132	48,675	-
US DOJ						
COPS Technology Grant	666	-	-	-	666	-
COPS Hiring Recovery Program	2,082,928	-	-	1,278,061	-	804,867
NJ DLPS						
FEMA Firefighter Station Construction	4,500,000	-	-	-	-	4,500,000
Paterson Safe Neighborhoold 2010	1,464	-	-	1,507	(43)	-
Safe and Secure Communities Program	13,979	-	-	13,979	-	-
Safe and Secure Communities Program	-	199,563	-	-	199,563	-
Body Armor	-	33,600	-	33,600	-	-
Emergency Management	-	10,000	-	10,000	-	-
Project Safe Neighborhood Program	-	15,000	-	15,000	-	-
Project Safe Neighborhood Program J911	-	8,000	-	-	-	8,000
Edward Byrne Violent Crimes	-	75,440	-	68,864	1,007	5,569
Edward Byrne Violent Crimes	92,000	-	-	-	-	92,000
DWI Drunk Driving Enforcement	63,209	-	-	63,209	-	-
DWI Drunk Driving Enforcement	-	-	9,321	9,321	-	-
NJ DOS - PARIS FY10	17,662	-	-	17,662	-	-
County of Passaic - Total Lifestyle Support Program						
2009	20,465	-	-	20,465	-	-
2012	87,633	-	-	87,633	-	-

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Description	Balance, June 30, 2012	2013 Awards	Added by NJSA 40A:4-87	Cash Receipts	Re-Allocations / Cancellations	Balance, June 30, 2013
Passaic County Senior Citizen & Disabled Transportation						
2013	$ -	$ 222,000	$ -	$ -	$ -	$ 222,000
2011	84,846	-	-	84,846	-	-
2012	282,000	-	-	233,008	-	48,992
City of Passaic - Byrne Memorial Justice Assistance Grant						
JAG - 2009	14,932	-	-	2,678	-	12,254
JAG - 2010	64,352	-	-	12,791	31,892	19,669
JAG - 2011	145,077	-	-	17,144	-	127,933
JAG - 2013	-	134,911	-	67,471	-	67,440
Passaic County Donations Operations Cease Fire	-	-	-	(2,200)	2,200	-
Byrne Memorial Law Enforcement Tech. Grant	500,000	-	-	320,016	-	179,984
City of New York - HOPWA Grant	87,649	-	-	-	87,649	-
US DOE Energy Efficiency & Renewal Grant	1,149,800	-	-	-	-	1,149,800
NJ HOA H1N1 Corrective Actions	10,000	-	-	-	10,000	-
NJ DOH						
Bioterrorism Grant	-	232,000	-	151,700	-	80,300
Sexually Transmitted Disease	-	92,040	-	53,532	-	38,508
Tuberculosis Control - State Funds	-	208,700	-	159,170	-	49,530
Tuberculosis Control - Federal Funds	-	103,754	-	25,961	-	77,793
HIV Testing	-	243,400	-	119,551	-	123,849
Childhood Lead Poisoning Control	-	230,846	-	176,415	-	54,431
Bioterrorism Grant FY11 9/11-8/12	52,738	-	-	52,738	-	-
Sexually Transmitted Disease FY12	24,829	-	-	24,829	-	-
Tuberculosis Control - State Funds FY12	54,214	-	-	54,214	-	-
Tuberculosis Control - Federal Funds FY12	76,817	83,000	-	159,817	-	-
HIV Testing FY12	40,223	-	-	40,223	-	-

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Description	Balance, June 30, 2012	2013 Awards	Added by NJSA 40A:4-87	Cash Receipts	Re-Allocations / Cancellations	Balance, June 30, 2013
NJ DOH						
Childhood Lead Poisoning Control FY12	$ 66,506	$ -	$ -	$ 66,506	$ -	$ -
Farmers Market Nutrition	-	1,000	-	1,000	-	-
NJ DHS						
Total Lifestyle Support Program	-	-	97,663	16,372	-	81,291
Total Lifestyle Support Program - Additional	-	-	98,222	8,186	-	90,036
Total Lifestyle Support Program - Additional	-	49,111	-	49,111	-	-
School Based Youth Services	-	307,190	2,300	309,490	-	-
Teen Parenting Program	-	81,169	-	81,169	-	-
US FEMA						
Assistance to Firefighters	-	177,868	-	-	-	177,868
Assistance to Firefighters	107,736	-	-	107,736	-	-
Hurricane Sandy	-	525,000	-	109,066	-	415,934
Hazardous Mitigation Grant	4,322,336	-	-	-	-	4,322,336
Paterson Restoration Corporation						
Master Plan Grant	130,000	-	-	130,000	-	-
UEZ Small Business Loan Program Phase I	300,000	-	-	-	300,000	-
UEZ Small Business Dev. Center	-	100,000	-	63,630	-	36,370
UEZ Clean Communities Project	350,000	-	-	42,031	-	307,969
UEZ Administration	-	340,100	-	121,870	-	218,230
Passaic County Municipal Alliance Program	-	39,680	-	-	-	39,680
Passaic County Municipal Alliance Program	41,903	-	-	37,815	4,088	-
PC Youth Services Commission						
Evening Reporting Program 2013	-	-	106,830	-	-	106,830
Evening Reporting Program 2012	24,133	-	10,000	24,134	-	9,999

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Description	Balance, June 30, 2012	2013 Awards	Added by NJSA 40A:4-87	Cash Receipts	Re-Allocations / Cancellations	Balance, June 30, 2013
Community Foundation of NJ -						
Give & Receive Summer Program	$ -	$ 20,000	$ -	$ 20,000	$ -	$ -
Passaic County Confidential Forfeiture Fund	-	-	10,000	10,000	-	-
Passaic County Paterson Station House						
Adjustment Program	12,256	-	-	10,332	1,924	-
2012 Program	-	26,266	1,288	15,554	-	12,000
Family Court Program - 2012	-	3,467	-	3,467	-	-
Koar George Fund Historic District Brochure Gran	-	-	-	(230)	230	-
Anita Tenk Spay and Neutering Grant	-	9,656	-	9,656	-	-
Mineral Display Grant	-	2,000	-	2,000	-	-
PSEG Emergency Preparedness Grant	-	-	5,000	5,000	-	-
NJ Historic Trust Hinchlcliffe Stadium Grant	-	-	500,000	-	-	500,000
Downtown Commercial Historic District Grant	18,000	-	-	-	-	18,000
	$ 24,463,769	$ 12,675,107	$ 1,010,416	$ 12,164,363	$ 908,272	$ 25,076,657
Ref.	A	A-36	A-36		A-38	A

Interfunds - Current Fund	A-36	$ 67,302
From Unappropriated Reserves	A-39	44,558
Cash Receipts	A-36	12,084,225
		12,196,085
Interfunds - Current Fund	A-36	31,722
		$ 12,164,363

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE)

	Ref.		
Balance: June 30, 2012	A		$ -
Increased by Credits:			
Adopted Grant Revenues		$ 12,398,854	
Life Hazard Use Fees		276,253	
	A-35	12,675,107	
Chapter 159 Grant Revenues	A-35	1,010,416	
Allocation of Interfund	A-4	930,677	
Reclass Grant Receipts to Current	A-35	31,722	
Reimbursements by Current Fund	A-38	1,705,093	
Cancelled to Current Fund Operations	A-38	71,115	
Grant Expenditures Paid by Current	A-38	12,443,987	
			28,868,117
			28,868,117
Decreased by Debits:			
Appropriated in Adopted Budget		$ 12,398,854	
Chapter 159 Appropriation		1,010,416	
		13,409,270	
Life Hazard Use Fees		276,253	
	A-38	13,685,523	
City Match	A-38	45,755	
Allocation of Interfund	A-4	1,599,492	
Grant Funds Collected in Current	A-35	12,084,225	
Grant Charges to Reimburse Current	A-38	1,303,641	
Unappropriated Grants	A-39	19,948	
Grant Overpayments	A-41	62,231	
Other Reclassifications to Current	A-35	67,302	
			28,868,117
Balance: June 30, 2013	A		$ -

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF REQUISITIONS AND ACCOUNTS PAYABLE

	Ref.	
June 30, 2012	A	$ 3,104,855
Increased by:		
Requistions Outstanding	A-38	7,402,782
		10,507,637
Decreased by:		
Prior Year Requisitions	A-38	3,104,855
June 30, 2013	A	$ 7,402,782

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

Department and Program	Balance: June 30, 2012 Reserved	Balance: June 30, 2012 Encumbered	Current Year Awards	City Match	Paid or Charged	Adjusted/ Cancelled	Balance: June 30, 2013 Encumbered	Balance: June 30, 2013 Reserved
FEDERAL GRANTS								
Bulletproof Vest Program 2012	$ 31,275	$ -	$ -	$ -	$ -	$ -	$ 31,275	$ -
COPS Hiring Recovery Program	2,082,929	-	-	-	1,278,062	-	-	804,867
COPS Technology Grant	666	-	-	-	-	666	-	-
Edward Byrne Memorial Justice Assistance Equipment Grant 2009	6,800	41,117	-	-	15,600	31,892	-	425
Edward Byrne Memorial Justice Assistance Equipment Grant 2011	155,574	422	-	-	99,106	-	32,714	24,176
Edward Byrne Memorial Justice Assistance Salaries Grant 2009	-	1,517	-	-	1,517	-	-	-
Edward Byrne Memorial Justice Assistance Salaries Grant 2013	-	-	134,911	-	-	-	12,500	122,411
Edward Byrne Memorial Law Enforcement Technology Grant	77,093	415,407	-	-	362,736	-	103,245	26,519
Edward Byrne Violoent Crime Discretionary Grant	20,652	-	-	-	20,652	-	-	-
Edward Byrne Violoent Crime Discretionary Grant	-	-	75,440	-	74,433	1,007	-	-
Energy Efficiency & Renewal	1,089,284	67,400	-	-	114,617	-	47,813	994,254
FEMA Flood Disaster Relief -2010	74,993	-	-	-	74,993	-	-	-
FEMA Firefighters Station Construction	4,500,000	-	-	-	-	-	4,500,000	-
FEMA - Assistance to Firefighters Grant 2009	-	39,117	-	-	36,597	-	2,520	-
FEMA - Assistance to Firefighters Grant 2010	134,670	-	-	-	49,871	-	65,843	18,956
FEMA - Assistance to Firefighters Grant	-	-	177,868	44,467	-	-	206,125	16,210
FEMA - Hurricane Sandy Aid 2012	-	-	525,000	-	525,000	-	-	-
FEMA - Hazardous Mitigation / NJ DEP Blue Acres	5,763,115	-	-	-	17,569	-	22,890	5,722,656
Housing Opportunities for Persons with AIDS	87,649	-	-	-	-	87,649	-	-
Minority Aids Initiative Program 3/13-2/14	-	-	151,179	-	41,958	-	-	109,221
Minority Aids Initiative Program 3/12-2/13	335,954	-	-	-	335,655	299	-	-
Minority Aids Initiative Program 3/11-2/12	5,742	-	-	-	5,741	1	-	-
Office of Health Information & Technology Grant	6,276	-	-	-	6,276	-	-	-
NJDLPS Paterson Safe Neighborhoods Program J-911	-	-	15,000	-	15,000	-	-	-
NJDLPS Paterson Safe Neighborhoods Program	-	-	8,000	-	4,056	-	-	3,944
Ryan White HIV Emergency Relief 3/11-2/12	3,555,430	169,144	-	-	3,675,899	48,675	-	-
Ryan White HIV Emergency Relief 2011	47,545	-	-	-	14,102	33,443	-	-
Ryan White HIV Emergency Relief 3/13-2/14	-	-	1,365,353	-	431,558	-	164,548	769,247
SAFER Fire Retention Grant (FEMA)	-	-	6,975,860	-	588,231	-	-	6,387,629
Silk City Woman's Club Museum Grant	1,000	-	-	-	-	-	-	1,000
Special Project of National Significance 9/12-8/13	-	-	80,000	-	59,500	-	17,500	3,000
Special Project of National Significance 9/10-8/12 (Extension)	-	101,014	-	-	101,014	-	-	-
Tuberculosis Control Federal Grant 2013	-	-	103,754	-	51,421	-	3,075	49,258
Tuberculosis Control Federal Grant 2012	54,122	2,360	83,000	-	139,482	-	-	-
TOTAL FEDERAL AWARDS	18,030,769	837,498	9,695,365	44,467	8,140,646	203,632	5,210,048	15,053,773

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

Department and Program	Balance: June 30, 2012		Current Year	City	Paid or	Adjusted/	Balance: June 30, 2013	
	Reserved	Encumbered	Awards	Match	Charged	Cancelled	Encumbered	Reserved
STATE GRANTS								
1st Ward Library Renovation Insurance Grant	$ 326,413	$ -	$ -	$ -	$ 68,650	$ -	$ 1,053	$ 256,710
911 General Assistance 2008	12,282	-	-	-	12,282	-	-	-
American Cancer Society Smoking Campaign	1,200	-	-	-	1,200	-	-	-
Alan N Cohen Memorial Basketball Championship	-	-	-	-	-	-	-	-
Alcohol Education and Rehabilitation 2010	4,474	-	-	-	-	-	-	4,474
Alcohol Education and Rehabilitation 2007	3,287	-	-	-	-	-	-	3,287
Alcohol Education Enforcement Fund	3,182	-	-	-	-	-	-	3,182
Anita Tenk Spay & Neuter Program	-	-	9,656	-	4,700	-	4,956	-
Bioterrorism Preparedness 2012	19,834	2,813	-	-	22,647	-	-	-
Bioterrorism Preparedness 2013	-	-	232,000	-	205,105	-	21,779	5,116
NJDLPS Body Armor Replacement Fund	-	-	33,600	-	-	-	-	33,600
Body Armor Replacement Fund 2008	-	7,621	-	-	7,621	-	-	-
Body Armor Replacement Fund 2009	-	-	-	-	-	-	-	-
Body Armor Replacement Fund 2010	-	20,547	-	-	20,547	-	-	-
Body Armor Replacement Fund 2011	31,516	-	-	-	-	-	31,516	-
Cablevision Public Education and Government Access Grant	55,740	-	-	-	4,840	-	-	50,900
Childhood Lead Poisoning 2010	-	-	-	-	-	-	-	-
Childhood Lead Poisoning 2011	-	-	-	-	-	-	-	-
Childhood Lead Poisoning 2012	1,724	976	-	-	2,700	-	-	-
Childhood Lead Poisoning 2013	-	-	230,846	-	223,667	-	2,571	4,608
Clean Communities 2008	-	1,303	-	-	1,303	-	-	-
Clean Communities 2009	23,630	-	-	-	7,879	-	15,751	-
Clean Communities 2010	167	268	-	-	435	-	-	-
Clean Communities 2011	17,871	11,635	-	-	29,506	-	-	-
NJDEP Clean Communities	-	-	169,792	-	-	-	-	169,792
Clean Communities 2012	144,617	-	-	-	140,825	-	3,792	-
Community Foundation of NJ - Give & Receive Summer Program	7,529	-	-	-	-	-	-	7,529
Community Foundation of NJ - Give & Receive Summer Program	-	-	20,000	-	19,867	-	-	133
Data Exchange	69,821	-	-	-	-	69,821	-	-
Downtown Commercial Historic District Grant	18,000	-	-	6,000	-	-	24,000	-
NJ Historic Trust - Hinchliffe Stadium Grant	-	-	500,000	-	-	-	-	500,000
DWI Drunk Driving Enforcement Fund	43,973	7,570	-	-	51,543	-	-	-
DWI Drunk Driving Enforcement Fund	-	-	9,321	-	1,743	-	-	7,578
Emergency Management Assistance Funding 10/09-9/10	10,000	-	-	-	-	-	-	10,000
Emergency Management Assistance Funding 10/10-9/11	-	-	10,000	-	10,000	-	-	-
Fire Safety Life Hazard Use Fees 2012	108,212	-	-	-	104,320	3,892	-	-

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

Department and Program	Balance: June 30, 2012 Reserved	Balance: June 30, 2012 Encumbered	Current Year Awards	City Match	Paid or Charged	Adjusted/ Cancelled	Balance: June 30, 2013 Encumbered	Balance: June 30, 2013 Reserved
STATE GRANTS - continued								
Fire Safety Life Hazard Use Fees 2012	$ -	$ -	$ 276,253	$ -	$ 219,154	$ -	$ -	$ 57,099
Greater Paterson Chamber of Commerce - V. Cruz Celebration	5,706	-	-	-	-	-	-	5,706
H1N1 Corrective Action	10,000	-	-	-	-	10,000	-	-
Hannah Family Memorial Grant	1,436	-	-	-	-	-	-	1,436
Hazardous Discharge Site Remediation - Cliff Street/Belmont Apartments	-	20,263	-	-	-	-	20,263	-
Hazardous Discharge Site Remediation - 36-40 Straight Street	-	2,740	-	-	-	-	2,740	-
Hazardous Discharge Site Remediation - 533-539 Totowa Salavatore Site	-	24,035	-	-	-	-	24,035	-
Hazardous Discharge Site Remediation - Addy Mill	30,432	59,669	-	-	-	-	59,669	30,432
Hazardous Discharge Site Remediation - Apollo Dye House	29,349	-	-	-	-	-	29,349	-
Hazardous Discharge Site Remediation - ATP	-	139,507	-	-	48,611	-	90,896	-
Hazardous Discharge Site Remediation - ATP	-	500	-	-	-	-	-	500
Hazardous Discharge Site Remediation - Columbia Textile Phase II	200	-	-	-	-	-	-	200
Hazardous Discharge Site Remediation - Columbia Textile Phase III	90,937	58,188	-	-	9,873	-	56,581	82,671
Hazardous Discharge Site Remediation - Industrial Mill Buildings Survey	16,000	-	-	-	15,903	-	-	97
Hazardous Discharge Site Remediatioon - Riverwalk	52,339	162,753	-	-	121,906	-	93,186	-
Health Officer Grant	766	-	-	-	766	-	-	-
HIV Counseling, Testing & Referral 10/1/11-9/30/12	831	218	-	-	1,049	-	-	-
HIV Counseling, Testing & Referral 10/1/12-9/30/13	-	-	243,400	-	169,583	-	8,037	65,780
Koar George Great Falls District Brochure	230	-	-	-	-	230	-	-
Lifestyle Support Program Additional Funding -2010	4,180	-	-	-	4,180	-	-	-
Lifestyle Support Program Additional Funding - 2012	-	-	49,111	-	26,380	-	-	22,731
Lifestyle Support Program Additional Funding - 1/13-12/14	-	-	98,222	-	-	-	-	98,222
Lifestyle Support Program 2009	52,657	-	-	-	52,657	-	-	-
Lifestyle Support Program 2010	1,026	-	-	-	1,026	-	-	-
Lifestyle Support Program 2011	46,561	-	-	-	-	-	-	46,561
Lifestyle Support Program 2012	46,433	-	10,000	-	56,433	-	-	-
Lifestyle Support Program 2013	-	-	87,663	-	54,733	-	-	32,930
Local Tourism Grant - Passaic Falls Overlook Park	-	41,290	-	-	-	-	41,290	-
Municipal Alliance 2009	898	318	-	-	-	1,216	-	-
Municipal Alliance 2011	9,220	643	-	-	-	-	45	9,818
Municipal Alliance 2012	36,725	132	-	-	32,769	4,088	-	-
Municipal Alliance 2013	-	-	39,680	-	-	-	-	39,680
Municipal Storm Water Regulation Program	538	-	-	-	-	-	-	538
Museum Brochure Grant Donald Baer	1,000	-	-	-	869	-	-	131
Nutrition Physical Activity and Obesity	6,928	2,929	-	-	9,857	-	-	-
Operation Cease Fire	2,200	-	-	-	-	2,200	-	-

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

Department and Program	Balance: June 30, 2012 Reserved	Balance: June 30, 2012 Encumbered	Current Year Awards	City Match	Paid or Charged	Adjusted/ Cancelled	Balance: June 30, 2013 Encumbered	Balance: June 30, 2013 Reserved
STATE GRANTS - continued								
Operation Cease Fire	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,000
Passaic County Cultural & Heritage Exhibit Freedom Boulevard Gate	440	-	-	-	-	-	-	440
Passaic County Cultural & Heritage Museum Grant	330	-	-	-	-	-	-	330
Passaic County Cultural & Heritage Museum Grant	335	-	-	-	-	-	-	335
Passaic County Cultural & Heritage Museum Council -2009	1,000	-	-	-	-	-	-	1,000
Passaic County Open Space - Analysis Pocket Parks	30,000	-	-	-	-	-	-	30,000
Passaic County Open Space - Buckley Park Improvement	5,350	-	-	-	-	5,350	-	-
Passaic County Open Space - M.E. Kramer Pk I	52,400	26,356	-	-	-	-	78,756	-
Passaic County Open Space - M.E. Kramer Pk Phase II	125,000	-	-	-	-	-	125,000	-
Passaic County Open Space - M.E. Kramer Pk Rollover	-	-	-	-	-	(45,000)	45,000	-
Passaic County Open Space - Passaic River Waterfront Study	30,000	-	-	-	-	-	-	30,000
Passaic County Open Space -Frederici Park	20,000	-	-	-	20,000	-	-	-
Passaic County Open Space -M.E. Kramer Pk Phase III	50,000	-	-	-	-	-	50,000	-
Passaic County Open Space -M.E. Kramer Pk Phase IV	95,000	-	-	-	-	-	95,000	-
Passaic County Open Space -Middle Lower Raceway	45,000	-	-	-	-	-	-	45,000
Passaic County Open Space -Middle Lower Raceway Invest. & Design	500,000	-	-	-	-	460,000	-	40,000
Passaic County Open Space -Overlook Park Amphitheater	45,000	-	-	-	-	45,000	-	-
Passaic County Open Space -Overlook Park Improvements	143,059	-	-	-	-	-	-	143,059
Passaic County Open Space -Pennington Park Gazebo	175,000	-	-	-	-	-	173,000	2,000
Passaic County Open Space -Pennington Park Rollover	-	-	-	-	-	(524,350)	524,350	-
Passaic County Open Space -Westside Park	4,169	-	-	-	2,169	2,000	-	-
Passaic County Open Space -Westside Park	57,000	-	-	-	-	57,000	-	-
Passaic County Open Space -Wrigley Park	824	-	-	-	824	-	-	-
Passaic County Paterson Station House Adjustment Program	1,960	-	-	-	-	1,960	-	-
Passaic County Paterson Station House Adjustment Program	-	-	31,021	1,288	31,021	-	-	1,288
Passaic County Youth Services Commission Evening Reporting 2009	68,546	60	-	-	-	-	-	68,606
Passaic County Youth Services Commission Evening Reporting 2010	77,628	525	-	-	(21,860)	-	386	99,627
Passaic County Youth Services Commission Evening Reporting 2011	41,776	-	-	-	40,871	-	-	905
Passaic County Youth Services Commission Evening Reporting 2012	76,482	-	10,000	-	77,495	-	4,707	4,280
Passaic County Youth Services Commission Evening Reporting 2013	-	-	106,830	-	27,344	-	-	79,486
Paterson School District Recreation Basketball League	2,368	-	-	-	2,368	-	-	-
Passaic County Prosecutor's Office Franklin Award	2,500	-	-	-	-	-	-	2,500
Passaic County Confidential Forfeiture Fund	-	-	10,000	-	1,000	-	-	9,000
Paterson Museum Mineral Hall Collection Donations	2,515	-	-	-	-	-	-	2,515
Donations Mineral Display Grant	-	-	2,000	-	-	-	-	2,000
PRC Master Plan Grant	30,000	100,000	-	-	88,000	-	41,000	1,000

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

Department and Program	Balance: June 30, 2012		Current Year	City	Paid or	Adjusted/	Balance: June 30, 2013	
	Reserved	Encumbered	Awards	Match	Charged	Cancelled	Encumbered	Reserved
STATE GRANTS - continued								
PSE&G Red Cap Program	$ 3,000	$ -	$ -	$ -	$ 3,000	$ -	$ -	$ -
PSE&G Emergency Preparedness Grant (Go Bags)	-	-	5,000	-	-	-	-	5,000
Public Archives & Records Infrastructure Support Grant (PARIS) 2006	-	12,629	-	-	-	-	12,629	-
Public Archives & Records Infrastructure Support Grant (PARIS) 2007	-	30,709	-	-	1,332	-	29,377	-
Recreational Opportunities Individuals with Disabilities 2011	12,367	-	-	-	12,367	-	-	-
Recreational Opportunities Individuals with Disabilities 2013	-	-	13,000	-	-	-	-	13,000
Recycling Tonnage Grant 2008	2,657	6,822	-	-	6,822	-	-	2,657
Recycling Tonnage Grant 2009	77,305	17,414	-	-	94,719	-	-	-
Recycling Tonnage Grant 2010	88,651	-	-	-	31,002	-	8,980	48,669
Recycling Tonnage Grant 2011	151,802	-	-	-	8,762	-	3,188	139,852
NJDEP Recycling Tonnage Grant	-	-	238,701	-	-	-	-	238,701
NJDLPS Safe & Secure Communities Program	-	-	199,563	-	-	199,563	-	-
School Based Youth Services Program - 2010	90	-	-	-	90	-	-	-
School Based Youth Services Program - 2011	2,587	-	-	-	2,587	-	-	-
School Based Youth Services Program - 2012	35,726	4,750	-	-	42,710	(2,234)	-	-
School Based Youth Services Program - 2013	-	-	309,490	-	271,562	-	4,957	32,971
Senior Citizen/Disabled Transportation Program 2012	159,377	2,517	-	-	161,894	-	-	-
Senior Citizen/Disabled Transportation Program 2013	-	-	222,000	-	127,473	-	618	93,909
Senior Citizen/Disabled Transportation Program 2011	34,615	68	-	-	-	-	-	34,683
Senior Citizen/Disabled Transportation Program 2010	-	147,921	-	-	147,921	-	-	-
NJDOH Senior Farmer's Market	-	-	1,000	-	1,000	-	-	-
Sexually Transmitted Disease Control 2012	199	1,063	-	-	1,262	-	-	-
Sexually Transmitted Disease Control 2013	-	-	92,040	-	74,903	-	220	16,917
Smart Growth Transit Oriented Design Plan	-	25,515	-	-	25,515	-	-	-
Spruce-McBride Avenue Intersection	172,397	3,169	-	-	-	-	3,169	172,397
Teen Parenting Program 2013	-	-	81,169	-	60,877	-	20,292	-
Teen Parenting Program 2012	2,234	81,169	-	-	81,169	2,234	-	-
Tuberculosis Control 2012	3	396	-	-	399	-	-	-
Tuberculosis Control 2013	-	-	208,700	-	207,371	-	380	949
UASI Rescue Training Reimbursement Funds 2010	14,106	-	-	-	14,106	-	-	-
UASI Rescue Training Reimbursement Funds 2009	75,363	-	-	-	75,363	-	-	-
UASI Rescue Training Reimbursement Funds 2012	19,522	-	-	-	18,873	-	-	649
Urban Enterprise Zone - Streetscape Planters Project	9,035	-	-	-	-	-	-	9,035
Urban Enterprise Zone -Administration 2012	160,552	15,074	-	-	18,754	154,242	-	2,630
Urban Enterprise Zone -Administration 2013	-	-	340,100	-	154,726	-	8,059	177,315
Urban Enterprise Zone -Business Improvement Matching Grant 2006	2,198	-	-	-	-	-	-	2,198

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

Department and Program	Balance: June 30, 2012 Reserved	Balance: June 30, 2012 Encumbered	Current Year Awards	City Match	Paid or Charged	Adjusted/ Cancelled	Balance: June 30, 2013 Encumbered	Balance: June 30, 2013 Reserved
STATE GRANTS - continued								
Urban Enterprise Zone -Clean Communities Project	$ 350,000	$ -	$ -	$ -	$ 73,993	$ -	$ 65,952	$ 210,055
Urban Enterprise Zone -Main Street Improvement Program - Phase I	46,431	3,500	-	-	1,500	-	-	48,431
Urban Enterprise Zone -Marketing & Business Development Prog. Phase II	90,372	-	-	-	4,346	-	-	86,026
Urban Enterprise Zone -Sidewalk Matching Grant / Phase IV	15,000	-	-	-	-	15,000	-	-
Urban Enterprise Zone -Small Business Development Center Year 13	-	51,642	-	-	38,099	13,543	-	-
Urban Enterprise Zone -Small Business Development Center Year 14	-	-	100,000	-	63,629	-	36,371	-
Urban Enterprise Zone -Small Business Loan Program Phase 1	300,000	-	-	-	-	300,000	-	-
Urban Enterprise Zone -Surveillance Cameras	760	1,170,140	-	-	840,306	-	329,834	760
TOTAL STATE AND COUNTY GRANTS	4,875,095	2,267,357	3,990,158	7,288	4,704,793	775,755	2,192,734	3,466,616
TOTAL STATE AND FEDERAL GRANTS FUND	$ 22,905,864	$ 3,104,855	$ 13,685,523	$ 51,755	$ 12,845,439	$ 979,387	$ 7,402,782	$ 18,520,389
Ref.	A	A-37	A-36				A-37	A

* Not Available

Grant Expenditures Paid by Current	A-36	12,443,987
Reimbursements by Current Fund	A-36	1,705,093
		14,149,080
Grant Charges to Reimburse Current	A-36	1,303,641
		12,845,439

From Prior Year Reserve	A-40	$ 6,000
From Current Fund Budget	A-36	45,755
		$ 51,755

Cancelled Against Receivable	A-35	908,272
Cancelled to Current Fund Operations	A-36	71,115
		979,387

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

	Balance, June 30, 2012	Transferred To Budget	Received	Balance, June 30, 2013
UASI Rescue Training Fund	$ -	$ -	$ 19,526	$ 19,526
Alcohol Education Enforcement Fund	-	-	422	422
Community Foundation of NJ - Give & Receive Summer Program	20,000	20,000	-	-
Total Lifestyle Support - Additional Funding	24,558	24,558	-	-
	$ 44,558	$ 44,558	$ 19,948	$ 19,948
Ref.	A	A-35	A-36	A

Exhibit A-40

CITY OF PATERSON
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR GRANT MATCH

	Ref.		
Balance: June 30, 2012	A	$	6,000
Decreased by:			
Utilized as Match	A-38		6,000
Balance: June 30, 2013	A	$	-

Exhibit A-41

SCHEDULE OF RESERVE FOR GRANT OVERPAYMENTS

	Ref.		
Balance: June 30, 2012	A	$	1,984
Increased by:			
Collected by Current Fund	A-36		62,231
Balance: June 30, 2013	A	$	64,215

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

Trust Fund Schedules

City of Paterson
FY 2013

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASURER

	Ref.	Animal Control	Community Development	Trust Other
Balance: June 30, 2012	B	$ 17,351	$ 2,396,078	$ 4,913,206
Increased by Receipts:				
Fund Balance	B-1	-	-	509
Interest Earned	B-25	-	1,465	-
Due to Special Improvement Districts	B-4	-	-	549,350
Grants Receivable	B-5	-	7,510,732	-
Due to State of New Jersey	B-6	2,973	-	-
Off Duty Police Officers	B-7	-	-	4,191,349
Off Duty Police Officers - Admin.	B-8	-	-	458,007
Reserve for Animal Control Expenditures	B-11	328,260	-	-
Parking Offense Adjudication Act	B-14	-	-	56,978
Weights and Measures	B-15	-	-	23,579
Reserve for Public Defender Fees	B-16	-	-	73,826
Other Deposits	B-17	-	-	14,399,579
Overpayments Received	B-18	-	-	276
Prepaid Revenue	B-20	-	-	51,919
Reserve for Payroll Agency	B-22	-	-	67,451,124
Reserve for Various Grants	B-25	-	96,738	-
		331,233	7,608,935	87,256,496
Subtotal - Cash		348,584	10,005,013	92,169,702
Decreased by Disbursements:				
Fund Balance	B-1	-	-	15,000
Due to Special Improvement Districts	B-4	-	-	651,363
Due to State of New Jersey	B-6	4,953	-	-
Reserve for Off Duty Police Officers	B-7	-	-	4,136,545
Reserve for Admin-Off Duty Police Officers	B-8	-	-	458,572
Other Deposits	B-17	-	-	14,134,646
Overpayments Disbursed	B-18	-	-	1,001
Reserve for Payroll Agency	B-22	-	-	68,242,796
Due to Current	B-23	336,211	-	185,054
Grant Expenditures	B-25	-	8,152,396	-
		341,164	8,152,396	87,824,977
Balance: June 30, 2013	B	$ 7,420	$ 1,852,617	$ 4,344,725

Exhibit B-3

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF TAXES RECEIVABLE - SPECIAL IMPROVEMENT DISTRICTS

	Ref.	Total	Bunker Hill	Downtown Paterson
Balance: June 30, 2012	B	$ 3,055	$ 6	$ 3,049
Increased by:				
Billings	B-21	567,222	198,050	369,172
		570,277	198,056	372,221
Decreased by:				
Transfer to Lien	B-19	18,741	16,597	2,144
Prepaid Revenue Applied	B-21	58,998	8,964	50,034
Realized Revenue	B-21	475,056	172,333	302,723
Cancellations	B-21	14,341	155	14,186
		567,136	198,049	369,087
Balance: June 30, 2013	B	$ 3,141	$ 7	$ 3,134

Exhibit B-4

SCHEDULE OF DUE TO SPECIAL IMPROVEMENT DISTRICTS

	Ref.	Total	Bunker Hill	Downtown Paterson
Balance: June 30, 2012	B	$ 107,894	$ 33,433	$ 74,461
Increased by:				
Cash Receipts	B-2	549,350	190,297	359,053
Prepaid Applied	B-20	61,414	11,380	50,034
		610,764	201,677	409,087
Decreased by:				
Cash Disbursements	B-2	651,363	217,260	434,103
Balance: June 30, 2013	B	$ 67,295	$ 17,850	$ 49,445

Exhibit B-5

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHUDULE OF GRANTS RECEIVABLE

	Balance June 30, 2012	Increased by: Grant Awards	Increased by: Budget Appropriation	Decreased by: Cancellations	Decreased by: Cash Receipts	Balance June 30, 2013
Community Development Block Grant	$ 4,761,105	$ 2,416,065	$ 439,415	$ -	$ 4,395,518	$ 3,221,067
Neighborhood Stabilization	2,053,472	-	-	-	1,149,547	903,925
Emergency Shelter Grant	283,017	232,424	-	-	232,963	282,478
Fire House	543,639	-	-	-	317,849	225,790
Homeless Prevention	27,398	-	-	27,398	-	-
Housing Opportunities for Persons with AIDS	2,227,696	1,380,000	-	-	1,393,035	2,214,661
Sheltering Arms	814,986	-	-	793,166	21,820	-
HUD Home Program	7,875,059	1,161,788	-	-	-	9,036,847
	$ 18,586,372	$ 5,190,277	$ 439,415	$ 820,564	$ 7,510,732	$ 15,884,768
Ref.	B	B-25	B-25	B-25	B-2	B

Exhibit B-6

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

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

	Ref.	
Balance: June 30, 2012	B	$ 2,058
Increased by:		
Fees Collected	B-2	2,973
		5,031
Decreased by:		
Cash Disbursements	B-2	4,953
Balance: June 30, 2013	B	$ 78

Exhibit B-7

SCHEDULE OF RESERVE FOR OFF-DUTY POLICE OFFICERS

	Ref.	
Balance: June 30, 2012	B	$ 241,294
Increased by:		
Cash Receipts	B-2	4,191,349
		4,432,643
Decreased by:		
Cash Disbursements	B-2	4,136,545
Balance: June 30, 2013	B	$ 296,098

Exhibit B-8

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR ADMINISTRATION OFF-DUTY POLICE OFFICERS

	Ref.	
Balance: June 30, 2012	B	$ 41,365
Increased by:		
Transfer from Reserve for Off-Duty Police Officers	B-2	458,007
		499,372
Decreased by:		
Off-Duty Salaries	B-2	458,572
Balance: June 30, 2013	B	$ 40,800

Exhibit B-9

SCHEDULE OF DUE FROM MUNICIPAL UTILITY AUTHORITY

	Ref.	
Balance: June 30, 2013 and 2012	B	$ 3,199,181

Exhibit B-10

SCHEDULE OF RESERVE FOR MUNICIPAL UTILITY AUTHORITY RECEIVABLE

	Ref.	
Balance: June 30, 2013 and 2012	B	#REF!

Exhibit B-11

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

	Ref.		
Balance: June 30, 2012	B	$	15,293
Increased by:			
Cash Receipts	B-2		328,260
			343,553
Decreased by:			
Expenditures under R.S. 4:19-15. 11	B-23		336,211
Balance: June 30, 2013	B	$	7,342

License Fees Collected:		
2011	$	314,805
2012		352,342
Maximum Allowable Reserve	$	667,147

Exhibit B-12

SCHEDULE OF REDEVELOPMENT/CDBG HELD PROPERTY

	Ref.		
Balance: June 30, 2013 and 2012	B	$	172,930

Exhibit B-13

SCHEDULE OF RESERVE FOR REDEVELOPMENT/CDBG HELD PROPERTY

	Ref.		
Balance: June 30, 2013 and 2012	B	$	172,930

Exhibit B-14

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR PARKING OFFENSE ADJUDICATION ACT

	Ref.	
Balance: June 30, 2012	B	$ 219,709
Increased by:		
Fees Collected	B-2	56,978
		276,687
Decreased by:		
Due To Current Fund	B-23	91,502
Balance: June 30, 2013	B	$ 185,185

Exhibit B-15

SCHEDULE OF RESERVE FOR WEIGHTS AND MEASURES

	Ref.	
Balance: June 30, 2012	B	$ 74,061
Increased by:		
Fees Collected	B-2	23,579
Balance: June 30, 2013	B	$ 97,640

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR PUBLIC DEFENDER FEES

	Ref.	
Balance: June 30, 2012	B	$ 38,323
Increased by:		
Fees Collected	B-2	73,826
		112,149
Decreased by:		
Due to Current Fund	B-23	93,552
Balance: June 30, 2013	B	$ 18,597

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR OTHER DEPOSITS

		Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013
Street Opening Deposits		$ 6,900	$ 5,350	$ 4,500	$ 7,750
Bid Deposits		32,300	31,500	34,000	29,800
Dumpster Deposits		11,600	11,400	13,100	9,900
Park and Recreation Deposits		16,100	1,500	2,500	15,100
Tax Lien Certificates		21,416	-	9,593	11,823
Tax Sale Premium		538,200	452,200	307,400	683,000
Tax Sale Redemption Certificate		-	13,781,046	13,781,046	-
Historic Preservation Fund		4,049	-	-	4,049
Special Recreation Fund		2,386	-	-	2,386
Estate of John Burhams		2,338	642	-	2,980
Developers Agreement		-	2,000	-	2,000
Koar George		91,142	793	500	91,435
Insurance Liability		1,036,534	113,148	-	1,149,682
		$ 1,762,965	$ 14,399,579	$ 14,152,639	$ 2,009,905
	Ref.	B	B-2		B
Fund Balance - Cancellations	B-1			$ 17,993	
Cash Disbursements	B-2			14,134,646	
				$ 14,152,639	

Exhibit B-18

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF TAX OVERPAYMENTS -
SPECIAL IMPROVEMENT DISTRICTS

	Ref.	Downtown Paterson
Balance: June 30, 2012	B	$ 1,001
Increased by:		
Cash Receipts	B-2	276
		1,277
Decreased by:		
Cash Disbursements	B-2	1,001
Balance: June 30, 2013	B	$ 276

Exhibit B-19

SCHEDULE OF TAX TITLE LIENS RECEIVABLE -
SPECIAL IMPROVEMENT DISTRICTS

	Ref.	Total	Bunker Hill	Downtown Paterson
Balance: June 30, 2012	B	$ 43,642	$ 26,209	$ 17,433
Increased by:				
Transfer to Lien	B-3	18,741	16,597	2,144
Liens Receivable	B-21	344	259	85
		62,727	43,065	19,662
Decreased by:				
Realized Revenue	B-21	15,586	5,231	10,355
Balance: June 30, 2013	B	$ 47,141	$ 37,834	$ 9,307

Exhibit B-20

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF PREPAID REVENUE -
SPECIAL IMPROVEMENT DISTRICTS

	Ref.	Total	Bunker Hill	Downtown Paterson
Balance: June 30, 2012	B	$ 58,999	$ 8,965	$ 50,034
Increased by:				
Cash Receipts	B-2	51,919	12,334	39,585
		110,918	21,299	89,619
Decreased by:				
Applied to Receivable	B-4	61,414	11,380	50,034
Balance: June 30, 2013	B	$ 49,504	$ 9,919	$ 39,585

Exhibit B-21

SCHEDULE OF RESERVE FOR TAXES RECEIVABLE -
SPECIAL IMPROVEMENT DISTRICTS

	Ref.	Total	Bunker Hill	Downtown Paterson
Balance: June 30, 2012	B	$ 46,697	$ 26,215	$ 20,482
Increased by:				
Liens Receivable	B-19	344	259	85
Billings	B-3	567,222	198,050	369,172
		614,263	224,524	389,739
Decreased by:				
Realized Revenue:				
Taxes	B-3	475,056	172,333	302,723
Liens	B-19	15,586	5,231	10,355
Cancelled:				
Billings	B-3	14,341	155	14,186
Prepaid Revenue Applied	B-3	58,998	8,964	50,034
		563,981	186,683	377,298
Balance: June 30, 2013	B	$ 50,282	$ 37,841	$ 12,441

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF RESERVE FOR PAYROLL AGENCY

	Ref.	
Balance: June 30, 2012	B	$ 2,349,684
Increased by:		
Cash Receipts	B-2	67,451,124
		69,800,808
Decreased by:		
Cash Disbursements	B-2	68,242,796
Balance: June 30, 2013	B	$ 1,558,012

Exhibit B-23

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF DUE TO CURRENT FUND

	Ref.		
Balance: June 30, 2012			$ -
Increased by Cash Disbursements:			
Animal Control	B-2	$ 336,211	
Other Trust	B-2	185,054	
			521,265
			521,265
Decreased by:			
Dog Fund	B-11	336,211	
POAA	B-14	91,502	
Public Defender	B-16	93,552	
			521,265
Balance: June 30, 2013			$ -

Exhibit B-24

SCHEDULE OF DUE TO HOUSING AUTHORITY-
STRAIGHT & NARROW

	Ref.	
Balance: June 30, 2013 and 2012	B	$ 21,820

Exhibit B-25

CITY OF PATERSON
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

SCHUDULE OF RESERVE FOR VARIOUS GRANTS

		Increased by:				Decreased by:		
	Balance June 30, 2012	Interest Earned	Program Income	Budget Appropriation	Grants Awards	Cancellations	Cash Disbursements	Balance June 30, 2013
Community Development Block Grant	$ 4,933,219	$ -	$ 74,464	$ 439,415	$ 2,416,065	$ -	$ 4,479,148	$ 3,384,015
Section 8:								
Housing Assistance	500	-	9,412	-	-	-	8,412	1,500
Earned Administration Balances	489,192	-	12,412	-	-	-	21,820	479,784
Restricted Annual Contribution	114,912	-	-	-	-	-	-	114,912
Neighborhood Stablization	2,055,059	-	450	-	-	-	1,150,547	904,962
Emergency Shelter Grant	262,424	-	-	-	232,424	-	242,204	252,644
Housing Opportunities for Persons with AIDS	2,219,450	-	-	-	1,380,000	-	1,395,324	2,204,126
Sheltering Arms	814,986	-	-	-	-	793,166	21,820	-
HUD Home Program	8,738,798	-	-	-	1,161,788	-	514,239	9,386,347
ARRA Fire House Construction	543,171	-	-	-	-	-	317,382	225,789
Homeless Prevention	27,398	-	-	-	-	27,398	-	-
Regional Contribution Agreements:								
Wayne	90,173	123	-	-	-	-	1,500	88,796
Woodland Park	574,032	1,148	-	-	-	-	-	575,180
Hawthorne	97,316	194	-	-	-	-	-	97,510
	$ 20,960,630	$ 1,465	$ 96,738	$ 439,415	$ 5,190,277	$ 820,564	$ 8,152,396	$ 17,715,565
Ref.	B	B-2	B-2	B-5	B-5	B-5	B-2	B

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

General Capital Fund Schedules

City of Paterson
FY 2013

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF CASH - TREASURER

	Ref.		
Balance: June 30, 2012	C, C-3		$ 17,198,389
Increased by:			
Due to Current Fund	C-9	$ 15,231,422	
State Grant Receivable	C-4	959,882	
Green Acre Loan Payable	C-16	88,927	
	C-3		16,280,231
			33,478,620
Decreased by:			
Due from Current Fund	C-3, C-9		18,351,808
Balance: June 30, 2013	C, C-3		$ 15,126,812

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Ordinance Number	Description		Balance June 30, 2012	Cash Receipts	Cash Disbursements	Transfers To	Transfers Other	Balance June 30, 2013
	Fund Balance	C-1	$ 64,360	$ -	$ -	$ 3,187,781	$ 64,300	$ 3,187,841
	Grants Receivable - State	C-4	(7,951,217)	959,882	-	324,018	300,000	(6,967,317)
	Capital Improvement Fund	C-15	410,113	-	-	300,000	-	710,113
	Due Current Fund	C-19	-	15,231,422	18,351,808	35,117,167	31,996,781	-
	Due From New Jersey Environmental Infrastructure Trust Fund	C-8	(8,757,606)	-	-	-	-	(8,757,606)
Improvement Authorizations:								
*	Various Public Works Projects		327,336	-	-	-	36,220	291,116
*	Sewer Reconstruction		121,493	-	-	-	1,476	120,017
*	Combined Sewer Overflow Phase I		436,640	-	-	-	2,401	434,239
*	Combined Sewer Overflow Phase II		1,903,654	-	-	-	821,917	1,081,737
*	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		10,481,570	-	-	5,000	-	10,486,570
05-055	Combined Sewer Overflow Phase III		-	-	-	-	5,000	(5,000)
06-001	Various Park Improvements		870,457	88,927	-	-	30,572	928,812
*	Capital Improvements		166,882	-	-	-	3,711	163,171
06-067	Various Sewer Reconstruction		119,727	-	-	-	-	119,727
07-006	Various Capital Improvements - Facilities		473,077	-	-	-	-	473,077
07-006	Various Capital Improvements - Roadways		190,000	-	-	-	(3,149)	193,149
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	-	-	-	-	92,257
08-020	Various Capital Improvements - Facility		1,122,577	-	-	-	190,835	931,742
08-021	Various Capital Improvements - ATP Site Park		1,283,665	-	-	-	-	1,283,665
08-022	Various Capital Improvements - Pennington Park		1,694,736	-	-	300,000	26,869	1,967,867
08-037	2009 City Road Resurfacing Program		231,200	-	-	-	3,995	227,205
08-036	Sewer Reconstruction		27,955	-	-	-	-	27,955
09-013	Construction of Fire House		2,075,387	-	-	1,190,000	99,034	3,166,353

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Ordinance Number	Description	Balance June 30, 2012	Cash Receipts	Cash Disbursements	Transfers To	Transfers Other	Balance June 30, 2013
09-010	DOT Spruce Street & McBride Ave - Signalization	$ 9,916	$ -	$ -	$ -	$ 3,757	6,159
09-017	DOT Pedestrian Signal Improvement	3,010	-	-	-	1,901	1,109
09-030	2010 Road Resurfacing	491,448	-	-	-	76,107	415,341
09-031	Sewer Reconstruction	31,717	-	-	-	4,357	27,360
09-032	Various Capital Improvements	1,389,045	-	-	-	581,214	807,831
10-005	2010 DOT Road Resurfacing Program	111,748	-	-	-	111,748	-
10-008	DOT Discretionary Funding	250,000	-	-	-	250,000	-
10-045	Sewer Reconstruction	113,220	-	-	-	69,808	43,412
11-014	Tax Appeal Refunds	864,163	-	-	-	854,372	9,791
11-016	Recreation Facility Improvement	1,484,041	-	-	-	267,664	1,216,377
11-017	Sewer Reconstruction	411,889	-	-	-	301,220	110,669
11-018	2011 DOT Road Resurfacing Program	509,860	-	-	-	490,476	19,384
12-004	Sewer Reconstruction	3,215,162	-	-	-	1,996,854	1,218,308
12-003	Debt Restructuring	15,441	-	-	-	15,441	-
12-025	Tax Appeal Refunds	1,838,479	-	-	-	1,828,861	9,618
12-026	2012 DOT Road Resurfacing Program	489,700	-	-	-	-	489,700
13-001	Debt Restructuring	-	-	-	11,585,000	11,575,224	9,776
13-005	Tax Appeal Refunds / Deficit	-	-	-	1,400,000	1,400,000	-
		$ 17,198,389	$ 16,280,231	$ 18,351,808	$ 53,408,966	$ 53,408,966	$ 15,126,812
	Ref.	C	C-2	C-2	Contra	Contra	C

Exhibit C-4

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF GRANT FUNDS RECEIVABLE - STATE

	Balance: June 30, 2012	Increased by Grant Awards	Decreased by: Cash Receipts	Decreased by: Cancellations	Balance: June 30, 2013
Department of Transportation Grants					
Main and Market Feasibility Study	$ 175,000	$ -	$ -	$ -	$ 175,000
2012 Road Resurfacing	489,700	-	-	-	489,700
2011 Road Resurfacing	509,860	-	363,966	-	145,894
2010 Road Resurfacing	509,757	-	435,739	74,018	-
2009 Road Resurfacing	37,500	-	37,500	-	-
2008 Road Resurfacing	33,750	-	33,750	-	-
2007 DOT Discovery Funding	250,000	-	-	250,000	-
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	1,168,755	300,000	-	-	1,468,755
Various Parks	948,020	-	88,927	-	859,093
ATP Site	1,283,665	-	-	-	1,283,665
Combined Sewer Outflow Phase 4	1,751,520	-	-	-	1,751,520
	$ 7,951,217	$ 300,000	$ 959,882	$ 324,018	$ 6,967,317
	C, C-3	C-14	C-2	C-14	C, C-3

Exhibit C-5

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

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

	Ref.	
Balance: June 30, 2012	C	$ 83,835
Decreased by:		
Budget Appropriation	C-12	41,917
Balance: June 30, 2013	C	$ 41,918

Exhibit C-6

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

	Ref.		
Balance: June 30, 2012	C		$ 61,776,647
Increased by:			
General Serial Bonds	C-10, C-7	$ 34,104,000	
Green Acres Trust Loan	C-7	88,927	
			34,192,927
			95,969,574
Decreased by:			
2013 Budget Appropriations to Pay Debt			
General Serial Bonds	C-10	11,684,903	
Environmental Infrastructure Trust Loan	C-11	1,179,056	
Green Acres Trust Loan	C-16	51,330	
Demolition Loan	C-17	45,000	
Economic Development Agency Loans:			
School	C-18	589,095	
			13,549,384
Balance: June 30, 2013	C		$ 82,420,190

Exhibit C-7

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. Number	Improvement Description	Balance June 30, 2012	Authorizations 2013	Green Acres Trust Loan	Bonds Issued	Budget Appropriations	Balance June 30, 2013
05-05	Combined Sewer Outflow Phase III	$ 7,405,195	$ -	$ -	$ -	$ -	$ 7,405,195
06-01	Various Park Improvements	716,775	-	88,927	-	-	627,848
08-021	Various Park Improvements	783,665	-	-	-	-	783,665
08-022	Various Park Improvements	1,400,000	700,000	-	900,000	-	1,200,000
09-013	Construction of Fire House	3,200,000	-	-	3,200,000	-	-
09-030	2010 Road Resurfacing	2,000,000	-	-	2,000,000	-	-
09-031	Sewer Reconstruction	2,665,000	-	-	2,665,000	-	-
09-032	Various Capital Improvements	2,090,000	-	-	2,090,000	-	-
10-045	Sewer Reconstruction	2,665,000	-	-	2,665,000	-	-
11-014	Tax Appeal Refunding	2,600,000	-	-	-	650,000	1,950,000
11-016	Recreational Facility Improvement	2,142,000	-	-	2,142,000	-	-
11-017	Sewer Reconstruction	2,857,000	-	-	2,857,000	-	-
12-004	Sewer Reconstruction	4,000,000	-	-	4,000,000	-	-
12-025	Tax Appeals	3,300,000	-	-	-	660,000	2,640,000
13-001	Debt Restructuring	-	11,600,000	-	11,585,000	-	15,000
13-005	Tax Appeals / Deficit	-	1,400,000	-	-	-	1,400,000
		$ 37,824,635	$ 13,700,000	$ 88,927	$ 34,104,000	$ 1,310,000	$ 16,021,708
		C	C-14, C-19	C-6	C-6	C-13	C, C-7a

Exhibit C-7a

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

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

Ord. Number	Improvement Description	Balance June 30, 2013	Bond Anticipation Notes Payable	Debt Authorized But Not Issued	Non-Financed Improvement Authorizations Expended	Non-Financed Improvement Authorizations Unexpended
05-005	Combined Sewer Outflow Phase III	$ 7,405,195	$ -	$ 7,405,195	$ 5,000	$ 7,400,195
06-001	Various Park Improvements	627,848	-	627,848	-	627,848
08-021	Various Park Improvements	783,665	-	783,665	-	783,665
08-022	Various Park Improvements	1,200,000	-	1,200,000	87,509	1,112,491
09-030	2010 Road Resurfacing	-	-	-	-	-
09-031	Sewer Reconstruction	-	-	-	-	-
09-032	Various Capital Improvements	-	-	-	-	-
10-045	Sewer Reconstruction	-	-	-	-	-
11-014	Tax Appeal Refunding	1,950,000	1,950,000	-	-	-
11-016	Recreational Facility Improvement	-	-	-	-	-
11-017	Sewer Reconstruction	-	-	-	-	-
12-004	Sewer Reconstruction	-	-	-	-	-
12-003	Debt Restructuring	-	-	-	-	-
12-025	Tax Appeals	2,640,000	2,640,000	-	-	-
13-001	Debt Restructuring	15,000	-	15,000	-	15,000
13-005	Tax Appeals / Deficit	1,400,000	1,400,000	-	-	-
		$ 16,021,708	$ 5,990,000	$ 10,031,708	$ 92,509	$ 9,939,199
		C-7	C-13	C-19		

Exhibit C-8

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

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

	Ref.	Total	Phase IV
Balance: June 30, 2013 and 2012	C, C-3	$ 8,757,606	$ 8,757,606

Exhibit C-9

SCHEDULE OF DUE FROM CURRENT FUND

	Ref.		
Balance: June 30, 2012			$ -
Increased by:			
Cash Disbursements	C-2,C-3	$ 18,351,808	
Premiums Received on Issuance of Debt	C-1	3,187,781	
Bonds Payable	C-10	22,519,000	
Notes Payable	C-13	5,990,000	
Capital Improvement Fund	C-15	300,000	
			50,348,589
			50,348,589
Decreased by:			
Cash Receipts	C-2	15,231,422	
Improvement Authorizations	C-14	9,133,867	
Notes Payable	C-13	25,919,000	
Capital Surplus	C-1	64,300	
			50,348,589
Balance: June 30, 2013			$ -

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2013 Date	Amount	Interest Rate %	Balance June 30, 2012	Bonds Issued	Decrease	Balance June 30, 2013
Pension Refunding	04/03/03	$ 13,044,671	04/01/15	$ 1,017,146	5.620	$ 5,572,526	$ -	$ 2,079,903	$ 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	02/01/14	2,900,000	3.625	8,675,000	-	2,875,000	5,800,000
			02/01/15	2,900,000	3.625				
General Improvement Bonds	06/15/09	23,294,000	06/15/16	2,100,000	5.000	17,970,000	-	6,730,000	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	03/30/12	3,145,000	03/15/18	2,500,000	4.000	4,875,000	-	-	4,875,000
Pension Refunding Bonds	03/30/12	1,730,000	03/15/19	2,375,000	4.000				
Qualified General Improvement 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, 2013

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2013 Date	Amount	Interest Rate %	Balance June 30, 2012	Bonds Issued	Decrease	Balance June 30, 2013
Qualified Pension Refunding Bonds (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 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				
						$ 41,922,526	$ 34,104,000	$ 11,684,903	$ 64,341,623
					Ref.	C		C-6	C
			Refunded		contra	$ 8,809,903		$ 8,809,903	
			New Debt on Bond Refundings			2,775,097			
					C-14, C-19		11,585,000		
			Paid by Budget Appropriation					2,875,000	
			New Debt on Funding of Notes		C-19	1,190,000			
			Notes Permanently Funded		C-13	21,329,000			
					C-9		22,519,000		
					C-6		$ 34,104,000	$ 11,684,903	

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding at June 30, 2013 Date	Principal	Interest	Balance June 30, 2012	Decrease	Balance June 30, 2013
Trust Loan Series 2003A	10/15/03	$ 2,160,000	2014	$ 105,000	2.0%	$ 1,565,000	$ 100,000	$ 1,465,000
Phase I			2015	110,000				
			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	10/15/03	5,554,479	2014	291,011	None	3,141,062	291,225	2,849,837
Phase I	Less: Forgiven	356,113	2015	290,368				
		5,198,366	2016	290,282				
			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, 2013

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding at June 30, 2013 Date	Principal	Interest	Balance June 30, 2012	Decrease	Balance June 30, 2013
Trust Loan Series 2004A	10/13/04	$ 820,000	2014	$ 40,000	2.0%	$ 630,000	$ 35,000	$ 595,000
Phase II			2015	40,000				
			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	10/13/04	2,326,943	2014	125,447	None	1,265,665	119,565	1,146,100
Phase II	Less: Forgiven	317,532	2015	122,059				
		2,009,411	2016	119,047				
			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, 2013

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding at June 30, 2013 Date	Principal	Interest	Balance June 30, 2012	Decrease	Balance June 30, 2013
Trust Loan Series 2005A	11/10/05	$ 910,000	2014	$ 45,000	2.0%	$ 785,000	$ 40,000	$ 745,000
Phase III			2015	45,000				
			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	11/10/05	2,622,600	2014	140,267	None	1,550,606	134,989	1,415,617
Phase III	Less: Forgiven	372,864	2015	136,136				
		2,249,736	2016	141,414				
			2017	137,743				
			2018	134,071				
			2019	139,269				
			2020	134,977				
			2021	139,533				
			2022	134,645				
			2023	138,804				
			2024	38,758				

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding at June 30, 2013 Date	Principal	Interest	Balance June 30, 2012	Decrease	Balance June 30, 2013
Trust Loan Series 2008A	11/06/08	$ 2,265,000	2014	$ 85,000	2.0%	$ 2,120,000	$ 85,000	$ 2,035,000
Phase IV			2015	90,000				
			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, 2013

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding at June 30, 2013 Date	Principal	Interest	Balance June 30, 2012	Decrease	Balance June 30, 2013
State of NJ Fund Loan Phase IV	11/06/08	$ 6,568,205	2014	$ 333,189	None	$ 5,629,990	$ 331,633	$ 5,298,357
			2015	334,299				
			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	327,836				

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding at June 30, 2013 Date	Principal	Interest	Balance June 30, 2012	Decrease	Balance June 30, 2013
Trust Loan Series 2010A	09/01/10	$ 515,000	2014	$ 20,000	2.0%	$ 495,000	$ 20,000	$ 475,000
Phase V			2015	20,000				
			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, 2013

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding at June 30, 2013 Date	Principal	Interest	Balance June 30, 2012	Decrease	Balance June 30, 2013
State of NJ Fund Loan Phase V	03/10/10	$ 524,000	2014	$ 26,644	None	$ 465,710	$ 21,644	$ 444,066
			2015	26,644				
			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	17,763				
						$ 17,648,033	$ 1,179,056	$ 16,468,977
						C	C-6	C

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION SETTLEMENT PAYABLE

	Ref.		
Balance: June 30, 2012	C	$	83,835
Decreased by:			
Deferred Charges to Future Taxation - Funded			
Due From State of New Jersey	C-5		41,917
Balance: June 30, 2013	C	$	41,918

Exhibit C-13

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ordinance Number	Improvement Description	Date of Issue: Original	Date of Issue: Current	Date of Maturity	Interest Rate %	Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013
08-22	Various Park Imp. - Pennington	06/17/10	06/06/12	06/06/13	1.50%	$ 900,000	$ -	$ 900,000	$ -
09-13	Construction of Firehouse	06/17/10	06/06/12	06/06/13	1.50%	2,010,000	-	2,010,000	-
09-30	Resurfacing of Various Streets	06/17/10	06/06/12	06/06/13	1.50%	2,000,000	-	2,000,000	-
09-31	Reconstruction of Sewers	06/17/10	06/06/12	06/06/13	1.50%	2,665,000	-	2,665,000	-
09-32	Various Capital Improvements	06/17/10	06/06/12	06/06/13	1.50%	2,090,000	-	2,090,000	-
10-045	Sewer Reconstruction	06/10/11	06/06/12	06/06/13	1.50%	2,665,000	-	2,665,000	-
11-014	Tax Appeal Refunding	06/10/11	06/06/12	06/06/13	1.50%	2,600,000	-	2,600,000	-
11-014	Tax Appeal Refunding	06/10/11	06/04/13	06/04/14	1.50%	-	1,950,000	-	1,950,000
11-016	Recreation Facility Improvement	06/10/11	06/06/12	06/06/13	1.50%	2,142,000	-	2,142,000	-
11-017	Sewer Reconstruction	06/10/11	06/06/12	06/06/13	1.50%	2,857,000	-	2,857,000	-
12-004	Various Sewer Reconstruction	06/06/12	06/06/12	06/06/13	1.50%	$ 4,000,000	$ -	$ 4,000,000	$ -
12-025	Tax Appeal Refunding	06/28/12	06/28/12	06/06/13	1.50%	3,300,000	-	3,300,000	-
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	06/04/13	06/04/14	1.50%	-	1,400,000	-	1,400,000
						$ 27,229,000	$ 5,990,000	$ 27,229,000	$ 5,990,000
					Ref.	C			C, C-7a
		Notes Renewed			Contra		$ 4,590,000	$ 4,590,000	
		Bonds Issued			C-10		-	21,329,000	
		Notes Issued			C-19		1,400,000	-	
					C-9		5,990,000	25,919,000	
		Budget Appropriation			C-7		-	1,310,000	
							$ 5,990,000	$ 27,229,000	

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance Date	Ordinance No.	Ordinance Amount	Balance: June 30, 2012 Funded	Balance: June 30, 2012 Unfunded	2013 Authorizations	Cancellations	Paid or Charged	Balance: June 30, 2013 Funded	Balance: June 30, 2013 Unfunded
Various Acquisition Public Works	06/11/99	*	$ 2,016,000	$ 327,336	$ -	$ -	$ -	$ 36,220	$ 291,116	$ -
Sewer Reconstruction	07/17/01	*	151,000	121,493	-	-	-	1,476	120,017	-
Combined Sewer Outflow Phase I	12/17/02	*	10,942,000	436,640	-	-	-	2,401	434,239	-
Combined Sewer Outflow Phase II	01/27/04	*	6,538,000	1,903,654	-	-	-	821,917	1,081,737	-
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	*	05-005	21,919,000	-	7,400,195	-	-	-	-	7,400,195
Various Park Improvements	10/25/05	06-001	2,474,726	793,616	793,616	-	-	30,572	778,330	778,330
Capital Improvements	02/14/06	*	1,955,000	166,882	-	-	-	3,711	163,171	-
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	-	-	-	-	473,077	-
Various Capital Improvements-Roadways	02/27/07	07-006	810,000	190,000	-	-	-	(3,149)	193,149	-
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	1,097,368	1,097,368	1,000,000	-	26,869	2,055,376	1,112,491
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	-	-	-	-	92,257	-
Various Capital Improvements-Facility	06/24/08	08-020	1,870,000	1,122,577	-	-	-	190,835	931,742	-
2009 City Road Resurfacing Program	11/12/08	08-037	2,100,000	231,200	-	-	-	3,995	227,205	-
Sewer Reconstruction	11/19/08	08-036	2,500,000	27,955	-	-	-	-	27,955	-
Construction of Fire House	05/26/09	09-013	3,360,000	65,387	3,200,000	-	-	99,034	3,166,353	-
DOT Spruce Street Mcbride Avenue Signalization	04/28/09	09-010	250,257	9,916	-	-	-	3,757	6,159	-
DOT Pedestrian Signal Improvements	05/26/09	09-017	190,000	3,010	-	-	-	1,901	1,109	-
2010 Road Resurfacing	10/27/09	09-030	2,100,000	-	491,448	-	-	76,107	415,341	-
Sewer Reconstruction	10/27/09	09-031	2,800,000	-	31,717	-	-	4,357	27,360	-
Various Capital Improvements	10/27/09	09-032	2,195,000	-	1,389,045	-	-	581,214	807,831	-
2010 DOT Road Resurfacing	02/09/10	10-005	509,757	111,748	-	-	74,018	37,730	-	-
DOT Discretionary Funding Program	02/23/10	10-008	250,000	250,000	-	-	250,000	-	-	-
Sewer Reconstruction	09/28/10	10-045	2,800,000	-	113,220	-	-	69,808	43,412	-
Debt Restructuring	02/22/11	11-014	5,000,000	-	864,163	-	-	854,372	-	9,791
Recreation Facility Imrpovements	04/01/11	11-016	2,250,000	-	1,484,041	-	-	267,664	1,216,377	-
Sewer Reconstruction	04/01/11	11-017	3,000,000	-	411,889	-	-	301,220	110,669	-
2011 DOT Road Reconstruction	04/13/11	11-018	509,860	509,860	-	-	-	490,476	19,384	-
Sewer Reconstruction	1/24/2012	12-004	4,200,000	-	3,215,162	-	-	1,996,854	1,218,308	-
Debt Restructuring	1/24/2012	12-003	5,000,000	15,441	-	-	-	15,441	-	-
Tax Appeal Refunds	6/1/2012	12-025	3,300,000	-	1,838,479	-	-	1,828,861	-	9,618

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance Date	Ordinance No.	Ordinance Amount	Balance: June 30, 2012 Funded	Balance: June 30, 2012 Unfunded	2013 Authorizations	Cancellations	Paid or Charged	Balance: June 30, 2013 Funded	Balance: June 30, 2013 Unfunded
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	-	-	11,600,000	-	11,575,224	9,776	15,000
Tax Appeal Refunds / Deficit	2/19/2013	13-005	1,400,000	-	-	1,400,000	-	1,400,000	-	-
				$ 20,914,366	$ 23,114,008	$ 14,000,000	$ 324,018	$ 20,718,867	$ 26,876,399	$ 10,109,090
			Ref	C	C		C-4		C	C

	Ref	2013 Authorizations	Paid or Charged
Deferred Changes to Future Taxation - Unfunded	C-7	$ 13,700,000	$ -
Refunding Bonds Issued on Ord. 13-001	C-10	-	11,585,000
Due from Current	C-9	-	9,133,867
Grants Receivable - State	C-4	300,000	-
		$ 14,000,000	$ 20,718,867

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance: June 30, 2012	C, C-3	$ 410,113
Increased by:		
Budget Appropriation	C-9	300,000
Balance: June 30, 2013	C, C-3	$ 710,113

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF GREEN ACRES TRUST LOAN PAYABLE

Purpose	Ordinance Date	Amount of Original Issue	Maturities of Loans Outstanding June 30, 2013 Date	Amount	Interest Rate %	Balance June 30, 2012	Increased by Loans Issued	Decreased by Budget Appropriation	Balance June 30, 2013
Park Development Program - Phase II	07/26/94	$ 315,000	10/30/13	$ 9,731	2.00	$ 68,813	$ -	$ 19,174	$ 49,639
			04/30/14	9,828					
			10/30/14	9,927					
			04/30/15	10,026					
			10/30/15	10,127					
Eastside Park Rehab	06/26/06	231,650	09/30/13	5,561	2.00	175,136	-	10,957	164,179
			03/30/14	5,616					
			09/30/14	5,672					
			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, 2013

SCHEDULE OF GREEN ACRES TRUST LOAN PAYABLE

Purpose	Ordinance Date	Amount of Original Issue	Maturities of Loans Outstanding June 30, 2013 Date	Amount	Interest Rate %	Balance June 30, 2012	Increased by Loans Issued	Decreased by Budget Appropriation	Balance June 30, 2013
Park Development Program - Phase III	06/26/06	$ 267,000	09/30/13	$ 10,759	2.00	$ 157,651	$ -	$ 21,199	$ 136,452
			03/30/14	10,867					
			09/30/14	10,975					
			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					
Various Park Improvements									
	1/19/2006	100,276	Not yet amortized.			100,276	-	-	100,276
	6/26/2006	231,245	Not yet amortized.			231,245	-	-	231,245
	6/26/2012	72,667	Not yet amortized.			72,667	-	-	72,667
	6/26/2012	116,400	Not yet amortized.			116,400	-	-	116,400
	FY2013	60,228	Not yet amortized.			-	60,228	-	60,228
	FY2013	28,699	Not yet amortized.			-	28,699	-	28,699
						$ 922,188	$ 88,927	$ 51,330	$ 959,785
					Ref.	C	C-2, C-19	C-6	C

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF DEMOLITION LOAN PAYABLE

Purpose	Ordinance Date	Amount of Original Issue	Maturities of Loans Outstanding June 30, 2013 Date	Maturities of Loans Outstanding June 30, 2013 Amount	Interest Rate %	Balance June 30, 2012	Decrease	Balance June 30, 2013
Urban and Rural Centers Unsafe Building Demolition Bond Loan	01/26/05	$ 450,000	03/25/14	$ 45,000	0%	$ 90,000	$ 45,000	$ 45,000
						$ 90,000	$ 45,000	$ 45,000
					Ref.	C	C-6	C

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF ECONOMIC DEVELOPMENT LOAN PAYABLE - SCHOOL

	Ref.	
Balance: June 30, 2012	C	$ 1,193,900
Decreased by:		
Budget Appropriation	C-6	589,095
Balance: June 30, 2013	C	$ 604,805

Rate	Loan No.	Due by June 30, 2014
5.288%	117-93 (1580)	$ 49,701
1.500%	117-93 (1581)	32,200
5.288%	145-93 (1582)	7,013
1.500%	147-93 (1586)	85,921
5.288%	147-93 (1588)	116,944
5.288%	149-93 (1590)	62,528
1.500%	149-93 (1595)	33,551
5.288%	150-93 (1597)	29,782
1.500%	150-93 (1599)	21,158
5.288%	210-93 (1603)	97,868
1.500%	210-93 (1608)	68,139
		$ 604,805

CITY OF PATERSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance June 30, 2012	Authorized	Green Acres Trust Loan	Notes Issued	Bonds Issued	Balance 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	Various Park Improvements ATP Site Park	783,665	-	-	-	-	783,665
08-022	Various Park Improvements Pennington Park	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	-	-
		$ 10,595,635	$ 13,700,000	$ 88,927	$ 1,400,000	$ 12,775,000	$ 10,031,708
	Ref.	C	C-7	C-16	C-13		C, C-7a
					C-10	$ 1,190,000	
					C-10	11,585,000	
						$ 12,775,000	

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

General Fixed Assets Schedules

City of Paterson
FY 2013

Exhibit D-1

CITY OF PATERSON
GENERAL FIXED ASSET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SCHEDULE OF CHANGES IN FIXED ASSETS BY CLASS

	Balance, June 30, 2012	Additions	Dispositions	Balance, June 30, 2013
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
	$ 63,908,361	$ 151,185	$ 1,569,508	$ 62,490,038
Ref.	D	D-2	D-2	D

Exhibit D-2

SCHEDULE OF RESERVE FOR FIXED ASSETS

	Ref.	
Balance: June 30, 2012	D	$ 63,908,361
Increased by:		
Additions	D-1	151,185
		64,059,546
Decreased by:		
Dispositions	D-1	1,569,508
Balance: June 30, 2013	D	$ 62,490,038

REPORT OF AUDIT

ADDITIONAL INFORMATION
RELATING TO
INTERNAL CONTROL AND COMPLIANCE

City of Paterson
FY 2013

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and 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 financial statements – regulatory basis of the individual funds and account groups of the City of Paterson, New Jersey (the "City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 5, 2014. As described in Note A, the City prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 are required to be reported under *Government Auditing Standards* and audit requirements prescribed by the Division and which are described in the accompanying comments and recommendations section of this report as Findings 1 and 2.

Purpose of this Report

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

DONOHUE, GIRONDA & DORIA
Certified Public Accountants

FREDERICK J. TOMKINS
Registered Municipal Accountant #327

Bayonne, New Jersey
May 5, 2014

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Independent Auditor's Report

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, 2013. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion on HOME Investment Partnership Program

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding CFDA 14.239 HOME Investment Partnership Program as described in Finding Number 2013-001 for Eligibility. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements to that program.

Qualified Opinion on HOME Investment Partnership Program

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 HOME Investment Partnership Program for the year ended June 30, 2013.

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 other major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

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

Report on Internal Control over Compliance

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

effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2013-001, to be a material weakness.

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

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

DONOHUE, GIRONDA & DORIA
Certified Public Accountants

FREDERICK J. TOMKINS
Registered Municipal Accountant #327

Bayonne, New Jersey
May 5, 2014

THE CITY OF PATERSON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Federal Department and Program	Federal CFDA Number	State Account Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance June 30, 2012	Revenue Recognized	Expenditures	Cancellations Reprogrammed/ Adjusted	Program Income	Balance June 30, 2013	Cumulative Expenditures
	Department of Justice													
**	COPS Technology Grant	16.710	N/A	07/01/08	06/30/09	$ 444,268	$ -	$ 666	$ -	$ -	$ (666)	$ -	$ -	$ 443,602
**	COPS Hiring Recovery Program	16.710	N/A	07/01/08	06/30/09	3,747,375	1,278,061	2,082,928	-	1,278,062	1	-	804,867	2,942,509
	Total COPS Grants						1,278,061	2,083,594	-	1,278,062	(665)	-	804,867	
	Passed through State of NJ Division of Criminal Justice:													
	Byrne Memorial Justice Assistance- Violent Crime Discretionary	16.738	66-1020-100-411	07/01/12	06/30/13	75,440	68,863	-	75,440	74,433	(1,007)	-	-	74,433
	Byrne Memorial Justice Assistance- Violent Crime Discretionary	16.738	66-1020-100-411	07/01/11	06/30/12	138,000	-	20,652	-	20,652	-	-	-	138,000
	Byrne Memorial Justice Assistance- Equipment Grant	16.738	66-1020-100-364	07/01/12	06/30/13	134,911	67,471	-	134,911	12,500	-	-	122,411	12,500
	Byrne Memorial Justice Assistance- Equipment Grant	16.738	66-1020-100-364	07/01/11	06/30/12	160,946	17,144	155,574	-	131,398	-	-	24,176	136,770
	Byrne Memorial Justice Assistance- Equipment Grant	16.738	66-1020-100-364	07/01/10	06/30/11	208,399	12,791	76,576	-	-	(76,576)	-	-	131,823
	Byrne Memorial Justice Assistance- Equipment Grant	16.738	66-1020-100-364	07/01/09	06/30/10	217,820	2,678	6,800	-	(25,517)	(31,892)	-	425	185,503
	Byrne Memorial Law Enforcement Technology Grant	16.738	66-1020-100-384	07/01/11	06/30/12	500,000	320,016	77,093	-	50,574	-	-	26,519	473,481
	Total Byrne Memorial Justice Assistance						488,963	336,695	210,351	264,040	(109,475)	-	173,531	
	Bulletproof Vest Program	16.607	N/A	07/01/11	06/30/12	31,275	-	31,275	-	31,275	-	-	-	31,275
	Passed through State of NJ Division of Criminal Justice:													
	Safe Neighborhood Grant	16.609	66-1020-100-377	07/01/12	06/30/13	8,000	1,507	-	8,000	4,056	-	-	3,944	4,056
	Safe Neighborhood Grant	16.609	66-1020-100-377	07/01/11	06/30/12	15,000	15,000	-	15,000	15,000	-	-	-	15,000
	Total Safe Neighborhood Grant						16,507	-	23,000	19,056	-	-	3,944	
	Total Department of Justice						1,783,531	2,451,564	233,351	1,592,433	(110,140)	-	982,342	
	Department of Homeland Security													
**	S.A.F.E.R. Fire Retention Grant	97.083		07/01/12	06/30/13	6,975,860	924,066	-	6,975,860	588,231	-	-	6,387,629	588,231
	Historic Industrial Mill Building Survey	N/A	N/A	10/01/09	09/30/11	16,000	12,000	16,000	-	15,903	-	-	97	15,903
	Hurricane Sandy Aid	97.036	N/A	*	*	525,000	109,066	-	525,000	525,000	-	-	-	525,000
	Flood Grant	97.036	66-1200-100-979	07/01/09	06/30/10	74,993	-	74,993	-	74,993	-	-	-	74,993
	Passed through State of NJ State Police:													
	Public Assistance - Hurricane Irene	97.036	N/A	07/01/11	06/30/12	10,000	-	10,000	-	-	(10,000)	-	-	-
	Total Disaster Assistance Grants						109,066	84,993	525,000	599,993	(10,000)	-	-	
	Blue Acres Grant	97.*	N/A	07/01/11	06/30/12	5,773,115		5,773,115	-	40,459	(10,000)	-	5,722,656	40,459
**	Fire Station Construction	97.067	66-1200-100-A70	07/01/09	06/30/10	4,500,000	-	4,500,000	-	4,500,000	-	-	-	4,500,000
	Assistance to Firefighters	97.044	N/A	07/01/12	06/30/13	222,335	-	-	222,335	206,125	-	-	16,210	206,125
	Assistance to Firefighters	97.044	N/A	07/01/11	06/30/12	134,670	107,736	134,670	-	115,714	-	-	18,956	115,714
	Total Assistance to Firefighters						107,736	134,670	222,335	321,839	-	-	35,166	
	Passed through New Jersey Law and Public Safety													
	UASI Rescue Training Reimbursement Funds	97.005	66-1200-100-975	07/01/11	06/30/12	19,522	-	19,522	-	18,873	-	-	649	18,873
	UASI Rescue Training Reimbursement Funds	97.005	66-1200-100-975	07/01/09	06/30/10	84,363	-	75,363	-	75,363	-	-	-	84,363
	UASI Rescue Training Reimbursement Funds	97.005	66-1200-100-975	07/01/10	06/30/11	14,106	-	14,106	-	14,106	-	-	-	14,106
	Total USAI Rescue Training Reimbursement Funds						-	108,991	-	108,342	-	-	649	
	Passed through New Jersey Law and Public Safety													
	Emergency Management Assistance	97.042	66-1200-100-726	10/01/12	09/30/13	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	-	-	-	-	10,000	-
	Total Emergency Management Assistance						10,000	10,000	10,000	10,000	-	-	10,000	
	Total Department of Homeland Security						1,162,868	10,627,769	7,733,195	6,184,767	(20,000)	-	12,156,197	

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, 2013

Federal Department and Program	Federal CFDA Number	State Account Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance June 30, 2012	Revenue Recognized	Expenditures	Cancellations Reprogrammed/ Adjusted	Program Income	Balance June 30, 2013	Cumulative Expenditures
Department of Health and Human Services													
** Ryan White HIV Emergency Relief	93.914	N/A	03/01/13	02/28/14	$ 1,516,532	$ 473,516	$ -	$ 1,516,532	$ -	$ (1,516,532)	$ -	$ -	$ -
** Ryan White HIV Emergency Relief	93.914	N/A	03/01/12	02/28/13	1,365,353	3,015,976	-	1,365,353	596,106	-	-	769,247	596,106
** Ryan White HIV Emergency Relief	93.914	N/A	03/01/11	02/28/12	3,787,807	173,200	3,555,430	-	3,506,755	(48,675)	-	-	3,739,132
** Ryan White HIV Emergency Relief	93.914	N/A	03/01/10	02/28/11	3,973,542	-	47,048	-	14,102	(32,946)	-	-	3,940,596
Total Ryan White HIV Emergency Relief						3,662,692	3,602,478	2,881,885	4,116,963	(1,598,153)	-	769,247	
Passed through the State of NJ Division of Family Health Services													
Childhood Lead Poisoning	93.197	66-4220-100-156	01/01/13	12/31/13	230,846	176,415	-	230,846	226,238	-	-	4,608	230,846
Childhood Lead Poisoning	93.197	66-4220-100-156	01/01/12	12/31/12	283,250	66,507	1,724	-	1,724	-	-	-	283,250
Total Childhood Lead Poisoning						242,922	1,724	230,846	227,962	-	-	4,608	
Special Projects of National Significance	93.928	N/A	09/01/11	08/30/12	106,299	101,014	-	-	-		-	-	106,299
Special Projects of National Significance	93.928	N/A	09/01/12	08/30/13	80,000	59,500	-	80,000	77,000	-	-	3,000	77,000
Total Special Projects of National Significance						160,514	-	80,000	77,000	-	-	3,000	
Public Health Preparedness and Response Bioterrorism	93.889	4230-100-350-2009	09/01/12	08/31/13	232,000	151,700	-	232,000	226,884	-	-	5,116	226,884
Public Health Preparedness and Response Bioterrorism	93.889	4230-100-350-2009	09/01/11	08/31/12	232,000	52,738	19,833	-	19,834	1	-	-	232,001
Total Public Health Preparedness and Response Bioterrorism						204,438	19,833	232,000	246,718	1	-	5,116	
Minority Aids Initiative Program	93.918	N/A	03/01/13	02/28/14	151,179	-	-	151,179	41,958	-	-	109,221	41,958
Minority Aids Initiative Program	93.918	N/A	03/01/11	02/28/12	*	-	-	-	5,741	5,741	-	-	*
Minority Aids Initiative Program	93.9183	N/A	03/01/12	02/28/13	675,505	335,655	341,696	-	335,655	(6,041)	-	-	669,464
Total Minority Aids Initiative Program						335,655	341,696	151,179	383,354	(300)	-	109,221	
Passed through the State of NJ Division of Epidemilogy Communicable Disease													
Tuberculosis Control Grant	93.116	100-046-4230-100-146	07/01/12	06/30/13	103,754	25,961	-	103,754	54,496	-	-	49,258	54,496
Tuberculosis Control Grant	93.116	100-046-4230-100-146	07/01/11	06/30/12	186,754	159,817	54,122	83,000	137,122	-	-	-	186,754
Total Tuberculosis Control Grant						185,778	54,122	186,754	191,618	-	-	49,258	
Total Department of Health and Human Services						4,791,999	4,019,853	3,762,664	5,243,615	(1,598,452)	-	940,450	
Department of Transportation													
Highway Planning and Construction Cluster													
Discretionary Funding Various Improvements	20.205	6320-480-078-6320	07/01/09	06/30/10	250,000	-	250,000	-	-	(250,000)	-	-	-
Main Street and Market Street Streetscape	20.205	6320-480-078-6320	12/19/07	06/30/12	225,000	-	202,549	-	-	-	-	202,549	22,451
Spruce Street and Mc Bride Avenue Stabilization	20.205	6320-480-078-6320	03/29/09	06/30/10	250,257	-	9,916	-	3,757	-	-	6,159	244,098
Road Resurfacing	20.205	6320-480-078-6320	07/01/11	06/30/12	489,700	-	489,700	-	-	-	-	489,700	-
Road Resurfacing	20.205	6320-480-078-6320	07/01/10	06/30/11	509,860	363,966	509,860	-	490,476	-	-	19,384	490,476
Road Resurfacing	20.205	6320-480-078-6320	07/01/09	06/30/10	509,757	435,740	111,748	-	37,730	(74,018)	-	-	435,739
Road Resurfacing	20.205	6320-480-078-6320	07/01/08	06/30/09	150,000	71,250	-	-	-	-	-	-	150,000
Traffic Signal Improvements	20.205	6320-480-078-6320	5/26/2009	07/23/2010	190,000	-	3,010	-	1,900	-	-	1,110	188,890
Total Higway Planning and Construction Cluster						870,956	1,576,783	-	533,863	(324,018)	-	718,902	
Passed through the Office of Highway Safety Planning													
Data Exchange Project	20.*	1160-100-176-2011	07/01/10	06/30/11	69,821	-	69,821	-	-	(69,821)	-	-	-
Total Department of Transportation						870,956	1,646,604	-	533,863	(393,839)	-	718,902	
Department of Housing and Urban Development													
Sheltering Arms	14.238	N/A	*	*	*	21,820	814,986	-	21,820	(793,166)	-	-	*
Homeless Prevention - ARRA	14.262	N/A	07/01/09	06/30/10	1,184,137	-	27,398	-	-	(27,398)	-	-	1,156,739
												-	
Neighbothood Stabilization	14.264	N/A	07/01/11	06/30/12	1,196,877	290,915	1,196,877	-	291,916	1	-	904,962	291,916
Neighbothood Stabilization	14.264	N/A	07/01/08	06/30/09	2,266,641	858,632	858,182	-	858,632	-	450	-	2,267,091
Total Neighborhood Stabilization						1,149,547	2,055,059	-	1,150,548	1	450	904,962	
Emergency Shelter Grant	14.231	N/A	07/01/12	06/30/13	232,425	44,475	-	232,425	53,715			178,710	53,715
Emergency Shelter Grant	14.231	N/A	07/01/11	06/30/12	129,776	75,168	88,419	-	75,169	-	-	13,250	116,526
Emergency Shelter Grant	14.231	N/A	07/01/10	06/30/11	128,592	113,320	128,592	-	113,320	-	-	15,272	113,320
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	07/01/06	06/30/07	126,788	-	2,501	-	-	-	-	2,501	124,287
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	07/01/01	06/30/02	118,000	-	7,789	-	-	-	-	7,789	110,211
Emergency Shelter Grant	14.231	N/A	07/01/00	06/30/01	117,000	-	13,493	-	-	-	-	13,493	103,507
Total Emergency Shelter Grant						232,963	262,423	232,425	242,204	-	-	252,644	

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, 2013

	Federal Department and Program	Federal CFDA Number	State Account Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance June 30, 2012	Revenue Recognized	Expenditures	Cancellations Reprogrammed/ Adjusted	Program Income	Balance June 30, 2013	Cumulative Expenditures
	Department of Housing and Urban Development (continued)													
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/12	06/30/13	$ 1,161,788	$ -	$ -	$ 1,161,788	$ 171,438	$ -	$ -	$ 990,350	$ 171,438
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/11	06/30/12	1,423,581	-	1,242,569	-	315,969	-	-	926,600	496,981
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/10	06/30/11	1,651,083	-	605,420	-	-	-	-	605,420	1,045,663
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/09	06/30/10	1,662,102	-	1,029,613	-	26,832	-	-	1,002,781	659,321
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/08	06/30/09	1,770,553	-	374,777	-	-	-	-	374,777	1,395,776
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/07	06/30/08	1,836,703	-	418,661	-	-	-	-	418,661	1,418,042
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/06	06/30/07	641,460	-	289,909	-	-	-	-	289,909	351,551
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/05	06/30/06	2,097,762	-	1,438,319	-	-	-	-	1,438,319	659,443
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/04	06/30/05	2,263,640	-	1,127,462	-	-	-	-	1,127,462	1,136,178
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/03	06/30/04	2,042,680	-	536,329	-	-	-	-	536,329	1,506,351
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/02	06/30/03	1,824,000	-	372,199	-	-	-	-	372,199	1,451,801
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/01	06/30/02	1,827,000	-	66,971	-	-	-	-	66,971	1,760,029
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/00	06/30/01	1,645,000	-	41,010	-	-	-	-	41,010	1,603,990
**	HOME Investment Partnership Program	14.239	100-022-8020-086-022960	07/01/99	06/30/00	1,642,000	-	1,195,560	-	-	-	-	1,195,560	446,440
	Total HOME Investment Partnership Program						-	8,738,799	1,161,788	514,239	-	-	9,386,348	
**	Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/12	06/30/13	1,380,000	-	-	1,380,000	-	-	-	1,380,000	-
**	Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/11	06/30/12	1,381,032	1,053,750	1,336,728	-	1,021,914	61,077	-	375,891	1,066,218
**	Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/10	06/30/11	1,404,206	95,219	316,483	-	264,966	69,187	-	120,704	1,352,689
**	Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/09	06/30/10	1,301,766	95,004	187,916	-	155,114	(32,802)	-	-	1,268,964
**	Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/08	06/30/09	1,286,736	45,338	45,338	-	46,670	1,332	-	-	1,288,068
**	Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/07	06/30/08	1,250,000	97,922	97,922	-	-	(97,922)	-	-	1,152,078
**	Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/06	06/30/07	1,282,000	5,802	5,803	-	-	(5,803)	-	-	1,276,197
**	Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/02	06/30/03	1,333,000	-	20,218	-	-	-	-	20,218	1,312,782
**	Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/01	06/30/02	1,252,000	-	50,383	-	-	-	-	50,383	1,201,617
**	Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/00	06/30/01	6,269,000	-	139,647	-	-	98,271	-	237,918	6,129,353
**	Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/99	06/30/00	1,160,000	-	19,012	-	-	-	-	19,012	1,140,988
	Total Housing Opportunities for Persons with AIDS						1,393,035	2,219,450	1,380,000	1,488,664	93,340	-	2,204,126	
**	CDBG - Entitlement Grants Cluster													
**	Community Development Block Grant -ARRA	14.253	N/A	07/01/09	06/30/10	773,878	317,849	773,878	-	317,382	(230,707)	-	225,789	317,382
**	Community Development Block Grant	14.218	100-022-8020-086-22960	07/01/12	06/30/13	2,855,480	1,558,219		2,855,480	1,547,907	-	74,464	1,382,037	1,547,907
**	Community Development Block Grant	14.218	100-022-8020-086-22960	07/01/11	06/30/12	2,683,971	482,416	1,603,843	-	500,705	(12,429)		1,090,709	1,580,833
**	Community Development Block Grant	14.218	100-022-8020-086-22960	07/01/10	06/30/11	2,754,854	841,946	1,147,110	-	885,499			261,611	2,493,243
**	Community Development Block Grant	14.218	100-022-8020-086-22960	07/01/09	06/30/10	2,934,402	852,442	1,134,894	-	876,181	-	-	258,713	2,675,689
**	Community Development Block Grant	14.218	100-022-8020-086-22960	07/01/08	06/30/09	2,851,175	41,832	136,410	-	41,832	-	-	94,578	2,756,597
**	Community Development Block Grant	14.218	100-022-8020-086-22960	07/01/07	06/30/08	2,937,671	262,000	554,211	-	262,000	-	-	292,211	2,645,460
**	Community Development Block Grant	14.218	100-022-8020-086-22960	07/01/06	06/30/07	3,303,484	356,663	367,735	-	365,024	-	-	2,711	3,300,773
**	Community Development Block Grant	14.218	100-022-8020-086-22960	07/01/05	06/30/06	3,389,479	-	600	-	-	-	-	600	3,388,879
**	Community Development Block Grant	14.218	100-022-8020-086-22960	07/01/00	06/30/01	3,359,000	-	845	-	-	-	-	845	3,358,155
	Total CDBG - Entitlement Grants Cluster						4,713,367	5,719,526	2,855,480	4,796,530	(243,136)	74,464	3,609,804	
	Total Department of Housing and Urban Development						7,510,732	19,837,641	5,629,693	8,214,005	(970,359)	74,914	16,357,884	
	Department of Agriculture													
	Senior Farmers Market Nutrition Program	10.576	4220-100-046-4650-474	7/1/2012	11/30/2013	1,000	1,000	-	1,000	1,000	-	-	-	1,000
	Total Department of Agriculture						1,000	-	1,000	1,000	-	-	-	
	Department of Energy													
	Energy Efficiency and Renewal	81.117	N/A	10/14/09	10/13/12	1,344,800	-	1,089,384	-	95,030	(100)	-	994,254	350,446
	Total Department of Energy						-	1,089,384	-	95,030	(100)	-	994,254	
	Department of Environmental Protection													
	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	-	436,640	-	2,402	-	-	434,238	10,507,762
**	Phase II	66.458	N/A	01/27/04	Completion	6,538,000	-	1,903,654	-	821,917	-	-	1,081,737	5,456,263
**	Phase III	66.458	N/A	Various	Completion	21,919,000	-	7,400,195	-	-	-	-	7,400,195	14,518,805
	Total Department of Environmental Protection						-	9,740,489	-	824,319	-	-	8,916,170	
	TOTAL FEDERAL AWARDS						$ 16,121,086	$ 49,413,304	$ 17,359,903	$ 22,689,032	$ (3,092,890)	$ 74,914	$ 41,066,199	

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

See Accompanying Notes to Expenditures of Federal Awards and State Financial Assistance.

THE CITY OF PATERSON
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Department and Program	State Account Number/ Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance June 30, 2012	Revenue Recognized	Expenditures	Cancellations/ Reprogrammed/ Adjusted	Balance June 30, 2013	Cumulative Expenditures
Department of Community Affairs											
Smart Growth Transit Oriented Design Plan	*	07/01/08	06/30/09	$ 45,000	$ 45,000	$ -	$ -	$ -	$ -	$ -	$ 45,000
Clean Communities	765-042-4900-004-V42Y-6022	07/01/12	06/30/13	169,792	169,792	-	169,792	-	-	169,792	-
Clean Communities	765-042-4900-004-V42Y-6022	07/01/11	06/30/12	144,617	-	144,617	-	144,617	-	-	-
Clean Communities	765-042-4900-004-V42Y-6022	07/01/10	06/30/11	146,910	-	17,871	-	17,871	-	-	146,910
Clean Communities	765-042-4900-004-V42Y-6022	07/01/09	06/30/10	155,594	-	167	-	167	-	-	155,594
Clean Communities	765-042-4900-004-V42Y-6022	07/01/07	06/30/08	116,458	-	23,630	-	23,630	-	-	116,458
Total Clean Communities					169,792	186,285	169,792	186,285	-	169,792	
Recreational Opportunities for Individuals with Disabilities	100-022-8050-035-051570	07/01/12	06/30/13	13,000	-	-	13,000	-	-	13,000	-
Recreational Opportunities for Individuals with Disabilities	100-022-8050-035-051570	07/01/11	06/30/12	13,000	-	12,367	-	12,367	-	-	13,000
Total Recreational Opportunities for Individuals with Disabilities					-	12,367	13,000	12,367	-	13,000	
Passed through the County of Passaic											
Municipal Alliance	*	07/01/12	06/30/13	39,680	-	-	39,680	-	-	39,680	-
Municipal Alliance	*	07/01/11	06/30/12	41,903	37,815	36,725	-	32,637	(4,088)	-	37,815
Municipal Alliance	*	07/01/10	06/30/11	42,000	-	9,220	-	(598)	-	9,818	32,182
Municipal Alliance	*	07/01/08	06/30/09	12,500	-	898	-	(318)	(1,216)	-	11,284
Total Municipal Alliance					37,815	46,843	39,680	31,721	(5,304)	49,498	
Total Department of Community Affairs					252,607	245,495	222,472	230,373	(5,304)	232,290	
Department of Law and Public Safety											
Safe and Secure Communities Program	66-1020-107-090940	03/21/12	03/20/13	199,563	13,979	-	199,563	-	(199,563)	-	-
Body Armor Replacement Fund	66-1020-718-001	07/01/12	06/30/13	33,600	-	-	33,600	-	-	33,600	-
Body Armor Replacement Fund	66-1020-718-001	07/01/11	06/30/12	31,516	33,600	31,516	-	31,516	-	-	31,516
Total Body Armor Replacement Fund					33,600	31,516	33,600	31,516	-	33,600	
Operation Cease Fire	*	07/01/11	06/30/12	106,830	-	41,776	-	40,871	-	905	105,925
Operation Cease Fire	*	07/01/10	06/30/11	15,000	-	15,000	-	-	-	15,000	-
Operation Cease Fire	*	07/01/08	06/30/09	24,050	(2,200)	2,200	-	-	(2,200)	-	21,850
Total Operation Cease Fire					(2,200)	58,976	-	40,871	(2,200)	15,905	
Passed through the Juvenile Justice Commission:											
Passaic County Youth Services Commission Evening Reporting	100-066-1500-168	07/01/12	06/30/13	106,830	-	-	106,830	27,344	-	79,486	27,344
Passaic County Youth Services Commission Evening Reporting	100-066-1500-168	07/01/11	06/30/12	116,830	24,134	76,482	10,000	82,202	-	4,280	82,202
Passaic County Youth Services Commission Evening Reporting	100-066-1500-168	07/01/08	06/30/09	124,527	-	77,628	-	(21,999)	-	99,627	24,900
Passaic County Youth Services Commission Evening Reporting	100-066-1500-168	07/01/09	06/30/10	124,650	-	68,546	-	(60)	-	68,606	56,044
Total Passaic County Youth Services Commission Evening Reporting					24,134	222,656	116,830	87,487	-	251,999	

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, 2013

State Department and Program	State Account Number/ Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance June 30, 2012	Revenue Recognized	Expenditures	Cancellations/ Reprogrammed/ Adjusted	Balance June 30, 2013	Cumulative Expenditures
Department of Law and Public Safety (continued)											
DWI Drunk Driving Enforcement Fund	6400-100-78-64000-YYYY	07/01/12	06/30/13	$ 9,321	$ 9,321	$ -	$ 9,321	$ 1,743	$ -	$ 7,578	$ 1,743
DWI Drunk Driving Enforcement Fund	6400-100-78-64000-YYYY	07/01/11	06/30/12	63,209	63,209	43,973	-	43,973	-	-	63,209
Total DWI Drunk Driving Enforcement Fund					72,530	43,973	9,321	45,716	-	7,578	
Total Department of Law and Public Safety					142,043	357,121	359,314	205,590	(201,763)	309,082	
Department of Treasury											
911 General Assistance	100-082-2034-081	01/01/08	12/31/08	137,855	-	12,282	-	12,282	-	-	137,855
Total Department of Treasury					-	12,282	-	12,282	-	-	
Department of Transportation											
Spruce Street McBride Avenue Intersection	480-78-6320-497-TCAP-6010	07/01/00	06/30/01	200,000	-	172,397	-	-	-	172,397	27,603
Total Department of Transportation					-	172,397	-	-	-	172,397	
Department of Children and Families											
Lifestyle Support Program	100-54-7570-280-LLLL-6130	01/01/13	12/31/13	87,663	16,372	-	87,663	54,733	-	32,930	54,733
Lifestyle Support Program	100-54-7570-280-LLLL-6130	01/01/12	12/31/12	97,633	87,633	46,433	10,000	56,433	-	-	56,433
Lifestyle Support Program	100-54-7570-280-LLLL-6130	01/01/11	12/31/11	87,633	-	46,561	-	-	-	46,561	-
Lifestyle Support Program	100-54-7570-280-LLLL-6130	01/01/10	12/31/10	87,633	-	1,026	-	1,026	-	-	87,633
Lifestyle Support Program	100-54-7570-280-LLLL-6130	01/01/09	12/31/09	87,695	-	52,657	-	52,657	-	-	87,695
Lifestyle Support Program	100-54-7570-280-LLLL-6130	01/01/08	12/31/08	86,890	20,465	-	-	-	-	-	86,890
Total Lifestyle Support Program Additional Funding	100-54-7570-280-LLLL-6130	01/01/13	12/31/14	98,222	8,186	-	98,222	-	-	98,222	-
Total Lifestyle Support Program Additional Funding	100-54-7570-280-LLLL-6130	01/01/12	12/31/12	49,111	49,111	-	49,111	26,380	-	22,731	26,380
Total Lifestyle Support Program Additional Funding	100-54-7570-280-LLLL-6130	01/01/10	12/31/10	49,111	-	4,180	-	4,180	-	-	49,111
Total Department of Children and Families					181,767	150,857	244,996	195,409	-	200,444	
Department of State											
Passaic County Cultural & Heritage Museum Grant	100-074-2530-032	07/01/05	06/30/06	1,000	-	335	-	-	-	335	665
Cultural and Heritage Council Grant	100-074-2530-032	07/01/10	06/30/11	1,000	-	1,000	-	-	-	1,000	-
Cultural and Heritage Art Grant	100-074-2530-032	07/01/10	06/30/11	330	-	330	-	-	-	330	-
Cultural and Heritage Exhibit Freedom Blvd Grant	100-074-2530-032	07/01/10	06/30/11	440	-	440	-	-	-	440	-
Total Department of State					-	2,105	-	-	-	2,105	
Department of Health and Human Services											
** School Based Youth Services Program	100-054-7500-068	07/01/12	06/30/13	309,490	309,490	-	309,490	276,519	-	32,971	276,519
** School Based Youth Services Program	100-054-7500-068	07/01/11	06/30/12	302,456	-	35,726	-	37,960	2,234	-	37,960
** School Based Youth Services Program	100-054-7500-068	07/01/10	06/30/11	302,456	-	2,587	-	2,587	-	-	302,456
** School Based Youth Services Program	100-054-7500-068	07/01/09	06/30/10	302,456	-	89	-	90	1	-	302,457
Total School Based Youth Services Program					309,490	38,402	309,490	317,156	2,235	32,971	
Teen Parenting Program	100-054-7570-419-LLLL-6130	07/01/12	06/30/13	81,169	81,169	-	81,169	81,169	-	-	81,169
Teen Parenting Program	100-054-7570-419-LLLL-6130	07/01/11	06/30/12	83,403	-	2,234	-	-	(2,234)	-	-
Total Teen Parenting Program					81,169	2,234	81,169	81,169	(2,234)	-	

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, 2013

State Department and Program	State Account Number/ Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance June 30, 2012	Revenue Recognized	Expenditures	Cancellations/ Reprogrammed/ Adjusted	Balance June 30, 2013	Cumulative Expenditures
Department of Health and Human Services (Continued)											
Nutrition Physical Activity and Obesity Grant	*	07/01/10	06/30/11	$ 15,000	$ -	$ 6,928	$ -	$ 6,928	$ -	$ -	$ 15,000
Passed through the NJ Health Officers Association:											
H1N1 Corrective Action Mini Grant	*	07/01/11	06/30/12	10,000	-	10,000	-	-	(10,000)	-	-
Sexually Transmitted Disease Control	100-046-4782-101-6120	07/01/12	06/30/13	92,040	53,532	-	92,040	75,123	-	16,917	75,123
Sexually Transmitted Disease Control	100-046-4782-101-6120	07/01/11	06/30/12	92,040	24,829	199	-	199	-	-	92,040
Total Sexually Transmitted Disease Control					78,361	199	92,040	75,322	-	16,917	
Station House Adjustment Program	*	07/01/12	06/30/13	32,309	10,333	-	32,309	31,021	-	1,288	31,021
Station House Adjustment Program	*	07/01/11	06/30/12	17,635	19,021	1,960	-	-	(1,960)	-	15,675
Total Station House Adjustment Program					29,354	1,960	32,309	31,021	(1,960)	1,288	
Health Officers Grant	*	07/01/10	06/30/11	5,000	-	766	-	766	-	-	5,000
Office of Health and Information Technology	*	01/01/09	12/31/09	11,000	-	6,276	-	6,276	-	-	11,000
** HIV Counseling, Testing and Referral	4866-089-6120-2650	10/01/12	09/30/13	243,400	119,551	-	243,400	177,620	-	65,780	177,620
** HIV Counseling, Testing and Referral	4866-089-6120-2650	10/01/11	09/30/12	150,251	40,223	831	-	831	-	-	150,251
Total HIV Counseling, Testing and Referral					159,774	831	243,400	178,451	-	65,780	
** Tuberculosis Control Grant	100-046-4230-080	07/01/12	06/30/13	208,700	159,170	-	208,700	207,751	-	949	207,751
** Tuberculosis Control Grant	100-046-4230-080	07/01/11	06/30/12	209,599	54,215	3	-	3	-	-	209,599
Total Tuberculosis Control Grant					213,385	3	208,700	207,754	-	949	
** Passed through County of Passiac:										-	
** Senior Citizen Disabled Transportation Program	8060-491-084520-50	01/01/11	12/31/11	282,000	84,845	34,614	-	(68)	1	34,683	247,318
** Senior Citizen Disabled Transportation Program	8060-491-084520-50	01/01/12	12/31/12	282,000	233,008	159,377	-	159,377	-	-	159,377
** Senior Citizen Disabled Transportation Program	8060-491-084520-50	01/01/13	12/31/13	222,000	-	-	222,000	128,091	-	93,909	128,091
** **Total Senior Citizen Disabled Transportation Program**					317,853	193,991	222,000	287,400	1	128,592	
Total Department of Health and Human Services					1,189,386	261,590	1,189,108	1,192,243	(11,958)	246,497	
Department of Environmental Protection											
Process Discharge Site:											
Riverwalk	*	07/01/08	06/30/09	575,723	-	52,339	-	52,339	-	-	575,723
Apollo Dye House	*	07/01/07	06/30/08	3,130,891	-	29,349	-	29,349	-	-	3,130,891
Addy Mill	*	07/01/07	06/30/08	102,857	-	30,432	-	-	-	30,432	72,425
ATP								(500)	-	500	
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	-	90,938	-	8,266	(1)	82,671	85,470
Total Process Discharge Site					-	203,258	-	89,454	(1)	113,803	
Recycling Tonnage Grant	752-42-4900-1-V42Y-6020	07/01/12	06/30/13	238,701	238,701	-	238,701	-	-	238,701	-
Recycling Tonnage Grant	752-42-4900-1-V42Y-6020	07/01/11	06/30/12	151,802	-	151,802	-	11,950	-	139,852	11,950
Recycling Tonnage Grant	752-42-4900-1-V42Y-6020	07/01/10	06/30/11	117,434	-	88,651	-	39,982	-	48,669	68,765
Recycling Tonnage Grant	752-42-4900-1-V42Y-6020	07/01/08	06/30/09	216,763	-	77,306	-	77,305	(1)	-	216,762
Recycling Tonnage Grant	752-42-4900-1-V42Y-6020	07/01/05	06/30/06	99,032	-	2,657	-	-	-	2,657	96,375
Total Recycling Tonnage Grant					238,701	320,416	238,701	129,237	(1)	429,879	
Municipal Storm Water Regulation Program	4900-100-042-4840-091	07/01/05	06/30/06	538	-	538	-	-	-	538	-

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, 2013

State Department and Program	State Account Number/ Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance June 30, 2012	Revenue Recognized	Expenditures	Cancellations/ Reprogrammed/ Adjusted	Balance June 30, 2013	Cumulative Expenditures
Department of Environmental Protection (Continued)											
Green Acres Trust Local Programs:											
Various Park Improvements - Loan	4800-545-002-10	10/25/05	Completion	$ 1,237,363	$ 30,114	$ 793,616	$ -	$ 30,194	$ 14,908	$ 778,330	$ 473,941
Various Park Improvements - Grant	4800-545-004-10	10/25/05	Completion	1,237,363	30,115	793,616	-	30,195	14,909	778,330	473,942
Restoration and Revitalization of Pennington Park - Loan	4800-006-V22G-6020	12/22/08	12/22/10	1,888,627	13,434	1,097,368	500,000	13,434	-	1,583,934	304,693
Restoration and Revitalization of Pennington Park - Grant	4800-006-V22G-6020	12/22/08	12/22/10	1,888,627	13,435	1,097,368	500,000	13,435	-	1,583,933	304,694
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					87,098	5,849,298	1,000,000	87,258	29,817	6,791,857	
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					325,799	16,860,080	1,238,701	305,949	29,815	17,822,647	
Department of Commerce & Economic Development											
** Urban Enterprise Zone -											
** Sidewalk Matching Grant - Phase IV	2830-763-20-2830-32-EEEE	07/01/09	06/30/10	275,000	-	15,000	-	-	(15,000)	-	260,000
** Main Street Fascade Matching	2830-763-20-2830-32-EEEE	07/01/08	06/30/09	2,000,000	35,515	-	-	-	-	-	2,000,000
** Video Surveillance Project	2830-763-20-2830-32-EEEE	07/01/10	06/30/11	1,500,000	-	760	-	-	-	760	1,499,240
** Surveillance Camera	2830-763-20-2830-32-EEEE	07/01/10	06/30/11	1,170,900	840,307	-	-	-	-	-	1,170,900
** Streetscape Planters Project	2830-763-20-2830-32-EEEE	07/01/09	06/30/10	85,000	-	9,035	-	-	-	9,035	75,965
** Main Street Improvement Program - Phase I	2830-763-20-2830-32-EEEE	07/01/08	06/30/09	674,180	-	46,431	-	(2,000)	-	48,431	625,749
** Administration	2830-763-20-2830-32-EEEE	07/01/12	06/30/13	340,100	-	-	340,100	162,785	-	177,315	162,785
** Administration	2830-763-20-2830-32-EEEE	07/01/11	06/30/12	540,000	72,839	160,552	-	3,680	(154,242)	2,630	383,128
** Small Business Development Center Year 14	2830-763-20-2830-32-EEEE	07/01/12	06/30/13	100,000	63,629	-	100,000	100,000	-	-	100,000
** Small Business Development Center Year 13	2830-763-20-2830-32-EEEE	07/01/11	06/30/12	130,000	38,099	-	-	(13,543)	(13,543)	-	116,457
** Marketing and Business Development Program Phase II	2830-763-20-2830-32-EEEE	07/01/05	06/30/06	750,000	-	90,372	-	4,346	-	86,026	663,974
** Business Improvement - Phase II	2830-763-20-2830-32-EEEE	07/01/08	06/30/09	500,000	4,346	2,198	-	-	-	2,198	497,802
** Passed through Paterson Restoration Corporation:										-	-
** UEZ - Small Business Loan Program Phase I	2830-763-20-2830-32-EEEE	07/01/11	06/30/12	300,000	-	300,000	-	-	(300,000)	-	-
** UEZ - Clean Communities Project	2830-763-20-2830-32-EEEE	07/01/11	06/30/12	350,000	42,031	350,000	-	139,945	-	210,055	139,945
Total Department of Commerce & Economic Development					1,096,766	974,348	440,100	395,213	(482,785)	536,450	
State of New Jersey Historic Trust											
Hinchliffe Stadium Grant	*	07/01/12	06/30/13	500,000	-	-	500,000	-	-	500,000	-
Downtown Commercial Historic Grant	*	01/01/12	06/30/13	24,000	-	18,000	6,000	24,000	-	-	24,000
Total State of New Jersey Historic Trust					-	18,000	506,000	24,000	-	500,000	

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, 2013

State Department and Program	State Account Number/ Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance June 30, 2012	Revenue Recognized	Expenditures	Cancellations/ Reprogrammed/ Adjusted	Balance June 30, 2013	Cumulative Expenditures
Administrative Office of the Courts											
Alcohol Education and Rehabilitation	760-046-4240-001	07/01/11	06/30/12	$ 3,182	$ -	$ 3,182	$ -	$ -	$ -	$ 3,182	$ -
Alcohol Education and Rehabilitation	760-046-4240-001	07/01/10	06/30/11	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	250
Total Administrative Office of the Courts					-	10,943	-	-	-	10,943	
Total State Awards					$ 3,188,368	$ 19,065,218	$ 4,200,691	$ 2,561,059	$ (671,995)	$ 20,032,855	

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

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

THE CITY OF PATERSON
SCHEDULE OF EXPENDITURES OF OTHER FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Program	Grant Period From	Grant Period To	Award	Funds Received	Balance June 30, 2012	Revenue Recognized	Expenditures	Cancellations/ Reprogrammed/ Adjusted	Balance June 30, 2013	Cumulative Expenditures
Other Grants										
Paterson School District:										
Recreational Basketball League	07/01/10	06/30/11	$ 70,150	$ -	$ 2,368	$ -	$ 2,368	$ -	$ -	$ 70,150
Anita Tenk Spay and Neuter Program	04/01/02	05/30/13	9,656	9,656	-	9,656	9,656	-	-	9,656
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	10,579
First Ward Library Renovation Insurance Grant	07/01/11	06/30/12	326,413	-	230,898	-	69,703	95,515	256,710	165,218
Community Foundation of NJ Give & Receive Summer Program	07/01/12	06/30/13	20,000	20,000	-	20,000	19,867	-	133	19,867
Community Foundation of NJ Give & Receive Summer Program	07/01/11	06/30/12	20,000	-	7,529	-	-	-	7,529	12,471
Paterson Restoration Corporation Master Plan Grant	07/01/11	06/30/12	130,000	130,000	30,000	-	29,000	-	1,000	129,000
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	-	869	-	131	869
Passaic County Prosecuter's Office Franklin Reward	07/01/10	06/30/11	30,000	-	2,500	-	-	-	2,500	27,500
Koar George Great Falls District Brochure	07/01/09	06/30/10	1,500	(230)	230	-	-	(230)	-	1,270
Museum Exhibit Grant	07/01/09	06/30/10	2,000	-	7	-	-	(7)	-	1,993
PSE&G Emergency Preparedness Grant	07/01/12	06/30/13	5,000	5,000	-	5,000	-	-	5,000	-
PSE&G Red Cap Program	07/01/10	06/30/11	3,000	-	3,000	-	3,000	-	-	3,000
American Cancer Society Smoking Campaign	07/01/10	06/30/11	1,200	-	1,200	-	1,200	-	-	1,200
Passaic County Prosecuter's Office Confidential Forfeiture Fund	07/01/12	06/30/13	10,000	10,000	-	10,000	1,000	-	9,000	1,000
Cablevision Public Education and Government Access Program	07/01/04	06/30/05	100,000	-	55,740	-	4,840	-	50,900	49,100
Paterson Museum Mineral Hall Collection Donations	07/01/03	06/30/04	10,000	2,000	2,515	-	-	-	2,515	7,485
Total Other Grants				176,426	345,129	46,656	141,503	95,278	345,560	
Hudson County Open Space Preservation Trust:										
Pennington Park Gazebo	07/01/11	06/30/12	175,000	-	175,000	-	173,000	-	2,000	173,000
Pennington Park Project	07/01/12	06/30/13	524,350	-	-	-	524,350	524,350	-	1,048,700
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	-	30,000	-	-	-	30,000	-
Middle Lower Raceway Investigation & Design	07/01/10	06/30/11	500,000	-	500,000	-	-	(460,000)	40,000	-
River Walk	07/01/09	06/30/10	*	52,339	-	-	-	-	-	-
Westside Park Improvement	07/01/09	06/30/10	57,000	2,168	57,000	-	-	(57,000)	-	-
Wrigley Park Improvements	07/01/09	06/30/10	97,000	824	824	-	824	-	-	97,000
Federici Park Improvement	07/01/09	06/30/10	20,000	20,000	20,000	-	20,000	-	-	20,000
Westside Park Improvement	07/01/07	06/30/08	62,000	-	4,169	-	2,169	(2,000)	-	60,000
Buckley Park Improvements	07/01/06	06/30/07	55,000	-	5,350	-	-	(5,350)	-	49,650
Middle Lower Raceway	07/01/08	06/30/09	45,000	-	45,000	-	-	-	45,000	-
M.E. Kramer Park - Rollover	07/01/08	06/30/09	45,000	-	-	-	45,000	45,000	-	90,000
M.E. Kramer Park - Phase IV	07/01/08	06/30/09	95,000	-	95,000	-	95,000	-	-	95,000
M.E. Kramer Park - Phase III	07/01/07	06/30/08	50,000	-	50,000	-	50,000	-	-	50,000
M.E. Kramer Park - Phase II	07/01/06	06/30/07	125,000	-	125,000	-	125,000	-	-	125,000
M.E. Kramer Park - Phase I	07/01/05	06/30/06	125,000	-	52,400	-	52,400	-	-	125,000
Overlook Park Park Amphitheater	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
Total Open Space Preservation Trust				75,331	1,377,802	-	1,087,743	-	290,059	
Total Other Financial Assistance				$ 251,757	$ 1,722,931	$ 46,656	$ 1,229,246	$ 95,278	$ 635,619	

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, 2013

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.

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, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors report issued:	Unmodified-as prescribed by NJ DLGS Adverse-according to GAAP			
Internal Control over Financial Reporting:				
1) Material weakness(es) identified?	Yes		✓	No
2) Significant deficiency(ies) identified?	Yes		✓	No
Noncompliance material to basic financial statements noted?	Yes		✓	No

Federal Awards

Type of auditor's report on compliance for major programs:	Qualified for: Home Investment Partnership Grant Unmodified for all other major Federal program			
Internal Control over Major Programs:				
1) Material weakness(es) identified?	✓ Yes	Finding 2013-001		No
2) Significant deficiency(ies) identified?	Yes		✓	No
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	✓ Yes	Finding 2013-001		No

Identification of major Federal Programs:

CFDA Number		Name of Federal Program or Cluster
16.710	-	COPS Grants
97.083	-	Staffing for Adequate Fire and Emergency Response (SAFER)
97.067	-	Fire Station Construction Grant
93.914	-	Ryan White HIV Emergency Relief
14.239	-	HOME Investment Partnership Program
14.241	-	Housing Opportunities for Persons with AIDS
14.253 / 14.218	-	CDBG Entitlement Grants Cluster
66.458	-	DEP Infrastructure Fund Loan

Dollar threshold used to distinguish between Type A and Type B Programs:	$	680,671
Auditee qualified as low-risk auditee?	Yes	✓ No

CITY OF PATERSON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

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 04-04, 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
4866-089-6120-2650	-	HIV Counseling, Testing and Referral
100-046-4230-080	-	Tuberculosis Control Grant
8060-491-084520-50	-	Senior Citizen Disabled Transportation Program
2830-763-20-2830-32-EEEE	-	Urban Enterprize 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, 2013

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*.

NONE NOTED

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 04-04.

FINDING 2013-001
Material Weakness
Noncompliance - Eligibility

US Department of Housing and Urban Development
Home Investment Partnership Program
CFDA Number 14.239

Criteria and 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.

Context
No supporting documentation was available indicating such inspections or income verifications were performed.

Questioned Costs
None Noted.

Cause
The City did not perform required inspections, income certifications and review of leases as required under the terms of the agreement. Date of inspections was provided but no record of reviews or inspections were available for review.

Section III - Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

FINDING 2013-001
(continued)

Effect
Participants receiving subsidies of HOME Investment Partnership Program funds may not be eligible recipients.

Recommendation
The City should perform required inspections and perform income certifications as required under the terms of the grant agreement.

This is a repeat finding. See Finding 2012-03 in the summary schedule of prior findings and questioned costs that follows and the report of audit for the year ended June 30, 2012.

Response of Responsible Officials
The assigned program monitor has begun performing the income certifications for the most recent (2013) projects and working backwards to the older projects. In terms of the inspections, the Department of Community Development was without an environmental housing inspector for a number of months, therefore the inspections were not able to be performed. We have hired a new environmental housing inspector who is in the process of scheduling inspections and working through the backlog.

CITY OF PATERSON

SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT

FOR THE YEAR ENDED JUNE 30, 2013

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

2012-01: Community Development Block Grant
CFDA No. 14.218

Condition: The U.S. Department of Housing and Urban Development requirement 24 CFR 570.200(g) states that no more than 20% of the sum of any grant plus program income, shall be expended for planning and program administration costs, as defined in 24 CFR 570.205 and 570.206, respectively. The City's planning and administrative costs for the Community Development Block Grant [Program Year 2011] were 22.68%.

Current Status: The City's CDBG Financial Summary report for Program Year 2012 indicates an administrative percentage of 18.62%, which is in compliance with the 20% administrative cap. This finding has been corrected from the prior year.

2012-02: Community Development Block Grant
CFDA No. 14.218

Condition: The requirement of 24 CFR 570.902, Review to determine if CDBG-funded activities are being carried out in a timely manner, requires CDBG entitlement grantees, to have a balance no greater than one and one-half (1.5) times their annual grant remaining in their line of credit 60 days prior to the end of the program year.

The last 60 day test conducted for the City on May 2, 2012, indicated a balance remaining in the City's line-of-credit amounting to 1.84 times its Fiscal Year 2011 grant.

Current Status: A review of the City's ending CDBG balance at June 30, 2013 indicates the City's remaining CDBG funds to be 1.26 times its grant award, which is less than the maximum allowable 1.5 times. This finding has been corrected from the prior year.

CITY OF PATERSON

SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT

FOR THE YEAR ENDED JUNE 30, 2013

2012-03: 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 not been corrected. See current year Finding 2013-001.

REPORT OF AUDIT

STATISTICAL SECTION

City of Paterson
FY 2013

Table 1

CITY OF PATERSON
STATISTICAL SECTION (UNAUDITED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

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

	June 30, 2013		June 30, 2012	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized:				
Miscellaneous Revenue Anticipated	$ 97,395,521	31.18%	$ 101,651,096	31.64%
Receipts from Delinquent Taxes	2,521,065	0.81%	1,513,365	0.47%
Receipts from Current Taxes	210,293,532	67.32%	215,503,086	67.07%
Miscellaneous Revenue Not Anticipated	1,287,969	0.41%	1,550,840	0.48%
Other Credits to Income	884,744	0.28%	1,092,237	0.34%
	312,382,831	100.00%	321,310,624	100.00%
Expenditures:				
Budget Appropriations	234,487,311	74.15%	239,208,843	72.96%
School and County Taxes	79,274,411	25.07%	87,066,506	26.55%
Other Charges	2,483,461	0.79%	1,601,950	0.49%
	316,245,183	100.00%	327,877,299	100.00%
Change in Operations, net of Surplus Utilized	(3,862,352)		(6,566,675)	
Adjustments to Income: Deferred Charges of Budget of Succeeding Year	4,370,000		2,840,000	
Statutory Excess to Operations	507,648		-	
Deficit in Operations	-		3,726,675	
Fund Balance, July 1	227,201		227,201	
Fund Balance, June 30	$ 734,849		$ 227,201	

Table 2

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

TAX RATE AND APPORTIONMENT OF TAX RATE

Year Ended	Total Tax Rate	Municipal (1)	County	Local School
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
June 30, 2009	1.931	1.038	0.481	0.412

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

Table 3

SCHEDULE OF DELINQUENT TAXES AND TAX TITLE LIENS

Year Ended	Tax Title Liens	Delinquent Taxes	Total	Percent of Tax Levy
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%
June 30, 2009	1,558,429	16,909	1,575,338	0.87%

Table 4

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

SCHEDULE OF TAX LEVIES AND COLLECTIONS

Year Ended	Tax Levy	Collections	Collection Percentage
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%
June 30, 2009	180,269,655	178,003,346	98.74%

Table 5

SCHEDULE OF PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

Year Ended	Amount
June 30, 2013	$ 5,107,360
June 30, 2012	5,107,360
June 30, 2011	5,107,360
June 30, 2010	5,107,360
June 30, 2009	9,673,260

Table 6

PERCENTAGE OF NET ASSESSED VALUE TO ESTIMATED FULL CASH VALUATION

Year	Net Assessed Valuation Taxable	Estimated Full Cash Valuation	Percentage of Net Assessed Value To Estimated Full Cash Valuation
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%
2009	9,352,696,819	8,856,507,771	105.6%

CITY OF PATERSON

OFFICIALS IN OFFICE

Name	Title
Jeffery Jones	Mayor
Anthony E. Davis	Council President - First Ward
Kenneth M. Morris, Jr.	Councilperson-at-large
Rigo Rodriguez	Councilperson-at-large
Kenneth McDaniel	Councilperson-at-large
Mohammed Akhtaruzzaman	Councilperson - Second Ward
William C. McKoy	Councilperson - Third Ward
Ruby N. Cotton	Councilperson - Fourth Ward
Julio Tavarez	Councilperson - Fifth Ward
Andre Sayegh	Councilperson - Sixth Ward
Jane E. Williams-Warren	City Clerk
Charles Thomas	Business Administrator
Domenick Stampone	Acting Corporation Counsel
Anthony Zambrano	Acting Director of Finance, Director of Accounts and Controls
Kathleen Gibson	Tax Collector, Director of Revenue Collections
Betty Shabazz	Director of Division of Treasury
Kathleen Easton	Director of Community Improvements
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
Patricia Hamlin	Assistant Director of Information Technology
Betty Taylor	Acting Director of Personnel
Fred Margron	City Engineer
Kevin McDuffie	Presiding Judge
Manuel Quiles	Municipal Court Director
Gloria Schweitzer	Court Administrator
Cindy Czesak	Director of Free Public Library
Lanisha Makle	Director of Department of Community Development
Donna Nelson Ivy	Director of Human Resources
Harry Cevallos	Qualified Purchasing Agent

Employees are covered by a faithful performance blanket bond in the amount of $500,000.
Court employeees are covered by a faithful performance blanket bond in the amount of $500,000.
City Council has authorized a "hold-harmless" resolution convering the performance of the Tax Search duties.

REPORT OF AUDIT

GENERAL SECTION

City of Paterson
FY 2013

CITY OF PATERSON

GENERAL COMMENTS

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013

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:

- Lou Costello and Riverside Vets Pools
- Refurbish Windows and Doors at 6 Firehouses
- Inmate Cord-Free Telephone System
- Repair of Potholes in City
- Emergency Sewer Lateral Repairs
- Disposal of Vegetative Waste
- TV Inspection, Cleaning and Markout of Sewers
- Garbage Bags
- EMS Supplies
- CSO Nets
- Elevator Maintenance
- Plumbing Work
- Hardware Supplies
- Lumber and Related Supplies
- Repair of Overhead Doors and Gates
- Flat Tire Repairs
- Electrical Work
- Lower Level Fields at Pennington Park
- Landscaping Services at the Larry Doby Field
- Avenue Firehouse, Engine Company #7
- White Program Support Services
- Doron 550 Fireplus Driving Simulation System/Tiller
- Mary Ellen Kramer Park Site Improvement
- 2012 State Aid Road Resurfacing Program
- Removal, Transportation and Disposal of Recycled Electronics Equipment
- (12) 2013 Harley-Davidson Electra Glide Police Motorcycles
- Swiftwater and Ice Rescue Preparedness and Operations Training for the Fire Department Personnel
- Cleaning of Streets and Sidewalks under the Business District Clean Communities Project for UEZ Program

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, 2013

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, 2013

DELINQUENT TAXES AND TAX TITLE LIENS

Balances as shown on year end 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, 2013:

Year	Amount
Prior	$ 1,360
2011	11,328
2012	625
2013	26,084
	$ 39,397

A tax sale was held on May 30, 2013 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.

Year Ended	Number of Liens
June 30, 2013	605
June 30, 2012	337
June 30, 2011	262
June 30, 2010	17
June 30, 2009	12

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, 2013

FINDING 1: The Municipal Court Ticket Delete Report is not being printed (and retained) on a weekly basis and reviewed as promulgated by the Administrative Office of the Courts Financial Procedures Manual. The three months of current ticket deletes we reviewed did not appear to show any "improper" deletes.

Recommendation: The Ticket Delete Report should be printed (retained), reviewed and authorized by a Municipal Court supervisor on a weekly basis.

FINDING 2: The City does 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.

Recommendation: The City should periodically verify whether retirees, or their spouses and dependents, continue to be eligible for medical benefits. Formal control policies and procedures regarding such verification should be instituted.

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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.

CITY OF PATERSON

COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED JUNE 30, 2013

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.

We noted certain other matters that we reported in the accompanying schedule of findings and questioned costs section of this report. 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 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*

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