CITY OF PATERSON

NEW JERSEY

REPORT OF AUDIT

FOR THE YEARS ENDED

JUNE 30, 2014 AND 2013

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

FINANCIAL SECTION

City of Paterson
FY 2014

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 general fixed assets as of June 30, 2014 and 2013, and the related comparative statement of operations and changes in fund balance – regulatory basis, of each fund, and the statement of revenues – regulatory basis and statement of appropriations – regulatory basis, of the Current Fund, for the years then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Qualified Opinion

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

Qualified Opinion on Regulatory Basis Accounting

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

Emphasis of Matter Regarding Dependence on State Aid

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

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

DONOHUE, GIRONDA & DORIA
Certified Public Accountants

FREDERICK J. TOMKINS
Registered Municipal Accountant #327

Bayonne, New Jersey
October 9, 2015

REPORT OF AUDIT

FINANCIAL SECTION

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

City of Paterson
FY 2014

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

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

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

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

See Accompanying Notes to Financial Statements

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

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

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

See Accompanying Notes to Financial Statements

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

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	$ 198,500	$ -	$ 205,843	$ 7,343
Other Licenses	145,900	-	145,044	(856)
Fines and Costs:				
Municipal Court	4,108,800	-	4,813,964	705,164
Interest and Costs on Taxes	2,000,000	-	2,009,903	9,903
Interest on Investments and Deposits	26,000	-	24,976	(1,024)
Interest on Delinquent Sewer Charges	189,500	-	234,282	44,782
Department of Public Works	180,200	-	113,523	(66,677)
Division of Health	817,400	-	753,478	(63,922)
City-Wide Recycling Revenues	295,900	-	362,363	66,463
Board of Adjustment	112,900	-	112,849	(51)
Sale of Copies of Public Records	30,400	-	30,074	(326)
Ambulance Fees	2,689,300	-	3,133,853	444,553
Municipal Towing Contract Fees	79,700	-	105,178	25,478
Municipal Sewer Use Charges				
Current Year	7,449,300	-	8,759,711	1,310,411
Prior Year	412,800	-	758,850	346,050
Fire Department Combustibles Inspection Revenues	284,600	-	482,331	197,731
Livery and Taxi License Fees	115,300	-	128,025	12,725
	19,136,500	-	22,174,247	3,037,747

See Accompanying Notes to Financial Statements

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

STATEMENT OF REVENUES - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

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				
US Department of Justice				
COPS Hiring Program Grant	$ 1,672,510	$ -	$ 1,672,510	$ -
Body Armor Grant	3,285	-	3,285	-
US Department of Health and Human Services				
HIV Ryan White Program 3/1/13-2/28/14	2,238,346	-	2,238,346	-
HIV Ryan White Program 3/1/14-2/28/15	1,111,342	-	1,111,342	-
2014 SPNS Grant US 9/1/14-8/31/17	68,204	-	68,204	-
NACCHO MRC Grant	82,480	-	82,480	-
NJ Department of Treasury				
Alcoholic Education Enforcement Fund	422	-	422	-
NJ Department of Health and Senior Services				
Sexually Transmitted Disease Control Program	88,535	-	88,535	-
Tuberculosis Control Program	208,700	-	208,700	-
Senior Farmers Market Nutrition Program	500	-	500	-
2014 Federal TB Control Grant	97,254	-	97,254	-
Public Heatlh Preparedness / Bioterror Response	218,398	-	218,398	-
Childhood Lead Poisoning Control Program	230,846	-	230,846	-
HIV Counseling, Testing and Referral	243,400	-	243,400	-

See Accompanying Notes to Financial Statements

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

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	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 Law & Public Safety:				
Emergency Management Assistance Funding	$ 10,000	$ -	$ 10,000	$ -
Safe and Secure Communities Program	66,521	-	66,521	-
Fire Urban Search and Rescue Grant	99,505	-	99,505	-
Body Armor Grant	41,714	-	41,714	-
New Jersey Department of Environmental Protection:				
Recycling Tonnage Grant	222,858	-	222,858	-
New Jersey Department of Commerce and Economic Development:				
UEZ - Administration Budget	198,800	-	198,800	-
UEZ - Amenities - Receptacles	50,000	-	50,000	-
New Jersey Department of Human Services:				
School Based Youth Services Program	304,690	-	304,690	-
Teen Parenting Program	132,716	-	132,716	-
County of Passaic:				
Paterson Station House Adjustment Program	19,021	-	19,021	-
Municipal Alliance Program	19,840	-	19,840	-
Open Space Eastside Park Concession Stand	260,000	-	260,000	-
CDBG-R Disaster Recovery Funds	2,075,000	-	2,075,000	-

See Accompanying Notes to Financial Statements

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

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	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:				
City of Passaic Byrne Memorial Equip. Grant	$ 131,306	$ -	$ 131,306	$ -
PRC Comm. Improvement Tech. Grant	125,000	-	125,000	-
Rutgers HUD Sustainable Comm. Planning	10,000	-	10,000	-
Added by NJSA 40A:4-87				
TDR Feasibility	-	50,000	50,000	-
Medical Reserve Corp Grant	-	3,500	3,500	-
Sr. Citizen and Disabled Transportation 2014	-	222,000	222,000	-
Station House Grant		10,000	10,000	
Cultural Heritage Council Local Art Grant		1,600	1,600	
Cultural Heritage Council History Grant	-	1,200	1,200	-
Total Lifestyle Support Program 2014	-	82,633	82,633	-
Youth Services Comm - Evening Reporting	-	105,975	105,975	-
Rogers Building Scaffolding	-	14,800	14,800	-
Paterson Station House Program	-	18,869	18,869	-
Clean Communities	-	159,203	159,203	-
NJ State Police Fire Urban Search and Rescue	-	29,536	29,536	-
	10,031,193	699,316	10,730,509	-

See Accompanying Notes to Financial Statements

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

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	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				
Rising Dove Senior Housing	$ 26,407	$ -	$ 26,407	$ -
Paterson Housing Authority	107,883	-	171,780	63,897
200 Godwin Avenue	24,817	-	24,817	-
Congdon Mill	81,518	-	81,518	-
Belmont Towers 2007 Audit Adjustment	20,120	-	21,707	1,587
Heritage - Alexander Hamilton	27,498	-	8,665	(18,833)
Brooke Sloate Audit Adjustment	3,063	-	-	(3,063)
Cable Communication Third Party Rent	340,000	-	340,000	-
US Cable of Paterson Franchise Fees	334,823	-	334,823	-
Capital Surplus	218,000	-	218,000	-
Sewer Rent - Third Party	62,005	-	65,571	3,566
Sewer Rent - Third Party Prior Year	46,914	-	-	(46,914)
City of Paterson Parking Authority				
Cooperative Agreement 7/1 - 12/31/13	200,000	-	204,000	4,000
Cooperative Agreement 1/1 - 6/30/14	200,000	-	204,000	4,000
PVWC Fire Hydrant Testing Reimbursement	196,300	-	196,100	(200)
Trust Fund Surplus	15,000	-	15,000	-
PVSC Rebate Incentive Program	48,770	-	48,770	-
Private Host Benefit Fees	236,800	-	176,254	(60,546)
Private Host Benefit Fees Prior Year	20,866	-	20,866	-

See Accompanying Notes to Financial Statements

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

STATEMENT OF REVENUES - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET:				
Local Tax Including Reserve for Uncollected Taxes	$ 142,920,070	$ -	$ 144,804,863	$ 1,884,793
Minimum Library Tax	2,382,179	-	2,382,179	-
Total Amount to be Raised by Taxes	145,302,249	-	147,187,042	1,884,793
Total Budget Revenues	245,725,734	699,316	249,484,205	3,059,155
Non-Budget Revenues	-	-	1,250,016	1,250,016
Total General Revenues	$ 245,725,734	$ 699,316	$ 250,734,221	$ 4,309,171
Ref.	A-3	A-3		

	Ref.	
Budgeted	A-2a	$ 249,475,580
Non-budgeted	A-2b	1,250,016
		$ 250,725,596

See Accompanying Notes to Financial Statements

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

STATEMENT OF REVENUES - REGULATORY BASIS
ANALYSIS OF REALIZED REVENUES

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF REVENUES - REGULATORY BASIS
ANALYSIS OF REALIZED REVENUES

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

See Accompanying Notes to Financial Statements

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

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

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
(A) Operations - Excluded From "CAPS"						
Passaic Valley Sewerage Commission	$ 10,373,702	$ 10,373,702	$ 10,373,702	$ -	$ -	$ -
Maintenance of Free Public Libraries	2,331,288	2,331,288	2,319,155	4,125	8,008	-
Library Fringe Benefits:						
Social Security	107,169	107,169	107,169	-	-	-
Medicare	25,235	25,235	25,235	-	-	-
Insurance	1,091,368	1,091,368	1,091,368	-	-	-
Safe and Secure - Local Share	688,973	688,973	688,973	-	-	-
FEMA Assistance to Firefighters Match	17,051	17,051	17,051	-	-	-
911 Salaries and Wages - Police	894,860	894,860	894,860	-	-	-
911 Salaries and Wages - Fire	374,661	374,661	374,661	-	-	-
Solid Waste Recycling Tax	220,737	220,737	220,737	-	-	-
HUD Audit Repayment	439,415	439,415	439,413	-	-	2
Paterson Station House Grant Match	1,288	1,288	1,288	-	-	-
	16,565,747	16,565,747	16,553,612	4,125	8,008	2
PUBLIC AND PRIVATE APPROPRIATIONS OFFSET BY REVENUES						
US Department of Justice						
COPS Hiring Program Grant	1,672,510	1,672,510	1,672,510	-	-	-
Body Armor Grant	3,285	3,285	3,285	-	-	-
US Department of Health and Human Services						
HIV Ryan White Program 3/1/13-2/28/14	2,238,346	2,238,346	2,238,346	-	-	-
HIV Ryan White Program 3/1/14-2/28/15	1,111,342	1,111,342	1,111,342	-	-	-
2014 SPNS Grant US 9/1/14-8/31/17	68,204	68,204	68,204	-	-	-
NACCHO MRC Grant	82,480	82,480	82,480	-	-	-

See Accompanying Notes to Financial Statements

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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

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

See Accompanying Notes to Financial Statements

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

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	$ 2,248,000	$ 2,248,000	$ 2,248,000	$ -	$ -	$ -
Capital Fund (DEP Settlement)	41,918	41,918	41,918	-	-	-
	2,289,918	2,289,918	2,289,918	-	-	-
(F) Judgments	25,000	25,000	-	-	-	25,000
(H-2)TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"	38,534,752	38,534,752	38,253,111	243,610	8,008	30,023
(K) Local District School Purposes - Excluded from "CAPS"						
TYPE 1 DISTRICT SCHOOL DEBT						
Payment of Bond Principal	604,805	604,805	604,805	-	-	-
Interest on Bonds	11,427	11,427	11,427	-	-	-
	616,232	616,232	616,232	-	-	-
(O)TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"	39,150,984	39,150,984	38,869,343	243,610	8,008	30,023
(L) Subtotal General Appropriations	235,502,583	237,952,583	230,528,538	4,369,340	3,019,682	35,023
(M) Reserve for Uncollected Taxes	10,922,467	10,922,467	10,922,467	-	-	-
TOTAL GENERAL APPROPRIATIONS	$ 246,425,050	$ 248,875,050	$ 241,451,005	$ 4,369,340	$ 3,019,682	$ 35,023
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, 2014

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

See Accompanying Notes to Financial Statements

REPORT OF AUDIT

FINANCIAL SECTION

Trust Fund Financial Statements

City of Paterson
FY 2014

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

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

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

See Accompanying Notes to the Financial Statements.

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

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

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

See Accompanying Notes to the Financial Statements.

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

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

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

See Accompanying Notes to the Financial Statements.

REPORT OF AUDIT

FINANCIAL SECTION

General Capital Fund Financial Statements

City of Paterson
FY 2014

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

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

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

See Accompanying Notes to the Financial Statements.

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

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

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

See Accompanying Notes to the Financial Statements.

REPORT OF AUDIT

FINANCIAL SECTION

General Fixed Assets Financial Statements

City of Paterson
FY 2014

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

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

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

See Accompanying Notes to the Financial Statements.

REPORT OF AUDIT

FINANCIAL SECTION

Notes to Financial Statements

City of Paterson
FY 2014

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

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

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF PRESENTATION

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

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

DESCRIPTION OF FUNDS

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

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

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

DESCRIPTION OF FUNDS (continued)

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

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

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

BASIS OF ACCOUNTING

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

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

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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

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

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

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

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

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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

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

Deferred Charges to Future Taxation (Funded and Unfunded) - Upon the authorization of general capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized costs of capital projects. The City may levy taxes on all taxable property within the City to repay the debt. Annually, the City raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced. GAAP does not require the establishment of deferred charges to future taxation.

Improvement Authorizations – Improvement Authorizations in the general capital fund represent the unexpended balance of an ordinance appropriation and is similar to the unexpended portion of the budget in the current fund. GAAP does not recognize these amounts as liabilities.

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

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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

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

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

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

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

No depreciation has been provided in the financial statements.

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

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

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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

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

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

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

Also see Note B - Cash and Cash Equivalents.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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

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

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

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

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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

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

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

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

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

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

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

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

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.

NOTE B. CASH AND CASH EQUIVALENTS (continued)

DEPOSITS (continued)

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

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

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

	2014	2013
FDIC Insured	$ 1,000,000	$ 1,000,000
GUDPA Insured	32,826,001	30,458,627
New Jersey Cash Management Fund	3,421,257	3,419,318
	$ 37,247,258	$ 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, 2014 and 2013 are known to be held in foreign currency.

NOTE B. CASH AND CASH EQUIVALENTS (continued)

INVESTMENTS

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

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

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

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

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

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

NOTE B. CASH AND CASH EQUIVALENTS (continued)

INVESTMENTS (continued)

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

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

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

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

		Investment 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, 2014 and 2013, the City had a balance of $3,421,257 and $3,419,318 respectively, in the New Jersey Cash Management Fund.

NOTE C. PROPERTY TAXES

PROPERTY TAX CALENDAR

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

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

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

NOTE C. PROPERTY TAXES (continued)

PROPERTY TAX CALENDAR (continued)

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

PROPERTY TAXES RECEIVABLE

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

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

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

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

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

NOTE D. MUNICIPAL DEBT

SUMMARY OF MUNICIPAL DEBT

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

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

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

SUMMARY OF MUNICIPAL DEBT

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

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

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

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

NOTE D. MUNICIPAL DEBT (continued)

SUMMARY OF MUNICIPAL DEBT (continued)

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

	June 30, 2012	(1) 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.

Debt Refunding and Rollover

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

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

- Special Emergency Notes, the proceeds of which were used to rollover $6,812,000 of notes issued in a prior year. The additional $1,650,000 of new notes represents temporary funding of Ordinances Numbered 14-009. Such Notes are more fully discussed herein.

NOTE D. MUNICIPAL DEBT (continued)

SUMMARY OF MUNICIPAL DEBT (continued)

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

- $8,015,000 Qualified General Improvement Refunding Bonds, the proceeds of which refunded $6,730,000 of the General Improvement Bonds issued on June 15, 2009 in the original amount of $23,294,000. The additional $1,285,000 of new principal was used to pay the full redemption price and interest on the bonds, and certain costs incurred in connection with the issuance of the bonds.

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

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

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

Qualified Bonds

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

NOTE D. MUNICIPAL DEBT (continued)

BONDS PAYABLE

General Serial Bonds Payable

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

Description	Balance June 30, 2013	Decrease	Balance June 30, 2014	Due by June 30, 2015
General Improvement Bonds Issued 06/01/05 for $18,999,000 Maturing annually through Feb. 1, 2015	$ 5,800,000	$ 2,900,000	$ 2,900,000	$ 2,900,000
General Improvement Bonds Issued 06/15/09 for $23,294,000 Maturing annually on June 15 through 2020	11,240,000	-	11,240,000	-
General Improvement Refunding Bonds Issued 03/23/11 for $3,230,000 Maturing on March 15, 2016 and 2017 Bearing interest rates of 3.25-3.5%	3,230,000	-	3,230,000	-
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 for $13,044,671 Maturing annually an April 1 through 2021 Bearing interest rate of 5.62-5.91%	3,492,623	-	3,492,623	1,017,146
Pension Obligation Refunding Bonds Issued 03/23/2011 for $1,600,000 Maturing on March 15, 2016 Bearing interest rate of 4.9%	1,600,000	-	1,600,000	-
Pension Obligation Refunding Bonds Issued 03/30/2012 for $4,875,000 Maturing March 15, 2018 and 2019 Bearing interest rate of 5.62-5.91%	4,875,000	-	4,875,000	-
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	-
	$ 64,341,623	$ 2,900,000	$ 61,441,623	$ 3,917,146

NOTE D. MUNICIPAL DEBT (continued)

BONDS PAYABLE (continued)

General Serial Bonds Payable (continued)

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

Summary of General Serial Bonds Activity

Description	Balance 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, 2014 various Green Acres Trust Loans. The following table is a summary of the activity for such loans during the year then ended and the short term liability for each:

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

NOTE D. MUNICIPAL DEBT (continued)

LOANS PAYABLE (continued)

Green Acres Trust Loans (continued)

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

Summary of Green Acres Trust Loans Activity

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

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

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

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

NOTE D. MUNICIPAL DEBT (continued)

LOANS PAYABLE (continued)

Economic Development Agency (EDA) Loan

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

Description	Balance June 30, 2013	Increase	Decrease	Balance June 30, 2014	Due by June 30, 2015
EDA Loans 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	$ 604,805	$ -	$ 604,805	$ -	$ -
	$ 604,805	$ -	$ 604,805	$ -	$ -

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

Summary of Economic Development Agency Loan Activity

Description	Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013	Due by June 30, 2014
EDA Loans 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
	$ 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, 2014 various New Jersey Environmental Infrastructure Trust Loans. The following table summarizes the activity for such loan during the year then ended and the short term liability for each loan:

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

NOTE D. MUNICIPAL DEBT (continued)

LOANS PAYABLE (continued)

NJ Environmental Infrastructure Trust Loan (continued)

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

Description	Balance June 30, 2012	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:

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

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.

NOTE D. MUNICIPAL DEBT (continued)

NOTES PAYABLE (continued)

Bond Anticipation Notes - continued

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

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

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

NOTE D. MUNICIPAL DEBT (continued)

NOTES PAYABLE (continued)

Bond Anticipation Notes - continued

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

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

NOTE D. MUNICIPAL DEBT (continued)

NOTES PAYABLE (continued)

Special Emergency Notes

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

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

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

NOTE D. MUNICIPAL DEBT (continued)

NOTES PAYABLE (continued)

Special Emergency Notes (continued)

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

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

SETTLEMENT PAYABLE

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

NOTE D. MUNICIPAL DEBT (continued)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

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

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

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

NOTE D. MUNICIPAL DEBT (continued)

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

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

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

	Gross Debt	Deductions	Net Debt
Local School District	$ -	$ -	$ -
General Debt	102,979,173	3,492,623	99,486,550
	$ 102,979,173	$ 3,492,623	$ 99,486,550

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

	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

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

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

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

NOTE E. FUND BALANCES APPROPRIATED

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

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

NOTE F. FIXED ASSETS

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

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

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

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

NOTE F. FIXED ASSETS (continued)

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

	Balance, 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

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, 2014 and 2013 this base salary amount was $8,100 and $8,000, respectively. Employees earning between $5,000 and the Tier 3 minimum base salary are eligible for participation in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Employees who retire at or after age 62 are entitled to a retirement benefit determined by the formula "years of service" divided by 55 times the average of the highest three years salary.

NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

STATE-MANAGED PENSION PLANS – PERS (continued)

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

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

STATE-MANAGED PENSION PLANS - PFRS

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

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

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

NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

STATE-MANAGED PENSION PLANS – PFRS (continued)

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

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

STATE-MANAGED PENSION PLANS - GENERAL

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

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

According to state statutes, all obligations of PERS and PFRS will be assumed by the State of New Jersey should the PERS and PFRS be terminated.

The State of New Jersey issues publicly available financial reports that include the financial statements and required supplementary information of the PERS and PFRS. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

STATE-MANAGED PENSION PLANS - CONTRIBUTIONS

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

Summary of Employee Contributions

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

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

	City PFRS Contribution		City PERS Contribution		City CPFPF 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
2014	$ 15,196,955	23.2%	$ 2,686,259	11.6%	$ 2,019	n/a
2013	17,694,666	28.2%	3,008,786	13.3%	4,666	n/a
2012	16,767,191	26.7%	3,059,915	13.0%	616	n/a

STATE-MANAGED PENSION PLANS – PENSION DEFERRAL

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

NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

STATE-MANAGED PENSION PLANS – PENSION DEFERRAL (continued)

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

DEFINED CONTRIBUTION RETIREMENT PROGRAM

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

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

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

NOTE G. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

DEFINED CONTRIBUTION RETIREMENT PROGRAM (continued)

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

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

		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
2014	8	$ 33,632	5.5%	$ 20,179	3.0%
2013	10	39,343	5.5%	23,606	3.0%
2012	6	23,868	5.5%	14,321	3.0%

DEFERRED COMPENSATION PLAN (unaudited)

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

The Plan is a tax-deferred supplemental retirement program that allows City employees to contribute a portion of their salaries, before federal taxes, to a retirement account. Contributions, or deferrals, are made through payroll deductions. Individuals are 100% vested. Distributions are not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the individual contributors and are not subject to the claims of the City's general creditors.

NOTE H. POST RETIREMENT BENEFITS

Plan Description and Eligibility

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

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

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

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

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

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

Funding Policy

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

NOTE H. POST RETIREMENT BENEFITS (continued)

Funding Policy (continued)

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

Actuarial Valuation Results

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

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

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

Post-Retirement Medical Valuation		
Actuarial Accrued Liability		
Retiree	$	224,006,421
Active		196,808,442
Unfunded Actuarial Accrued Liability		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.

NOTE H. POST RETIREMENT BENEFITS (continued)

Actuarial Valuation Results (continued)

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

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.

NOTE H. POST RETIREMENT BENEFITS (continued)

Actuarial Valuation Results (continued)

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

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

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

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

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

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

NOTE I. COMPENSATED ABSENCES

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

NOTE J. RISK MANAGEMENT

Insurance Coverage

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

- To insure against any loss or damage however caused to any property, motor vehicles, equipment or apparatus owned by the city, or under the control of any of the City's Departments, Boards, Agencies or Commissions;

- To insure against liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the City, or owned by or under the control of any of the City's Departments, Boards, Agencies or Commissions;

- To insure against liability for the City's negligence and that of its officers, employees and servants, whether or not compensated or part-time, who are authorized to perform any act or services, but not including an independent contractor within the limitations of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.).

NOTE J. RISK MANAGEMENT (continued)

Insurance Coverage (continued)

The City has obtained the following coverage:

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

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

Disaster Recovery

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

NOTE K. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

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

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, 2014 and 2013, the City passed special emergency appropriations of $1,650,000 and $2,270,000, respectively, to provide for payment of the resulting severance liabilities.

Revaluation of Properties

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

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

Snow Removal

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

Cash Deficit of Preceding Year

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

NOTE L. INTERFUND ACTIVITY

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

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

Amount	Due From	Due To	Purpose
$ 122,425	Current Fund	Capital Fund	Department of Transportation Grant Monies
462	Other Trust	Animal Control	Advances to Reserve

NOTE M. ECONOMIC DEPENDENCY

Major Taxpayers

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

Top 10 Taxpayers

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

State Aid

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

NOTE N. CONTINGENT LIABILITIES

Grant Programs

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

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

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

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

NOTE N. CONTINGENT LIABILITIES (continued)

Tax Appeals

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

Litigation

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

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

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

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

NOTE N. CONTINGENT LIABILITIES (continued)

Litigation (continued)

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

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

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

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

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

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

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

NOTE N. CONTINGENT LIABILITIES (continued)

Litigation (continued)

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

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

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

Warren v. City – This is an excessive force matter alleging that Paterson Auxiliary Police Officers intentionally or negligently caused their vehicle to come into contact with Plaintiff's decedent's motorcycle 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 (continued)

Paterson Municipal Utilities Authority

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

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

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

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

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

NOTE P. REGIONAL CONTRIBUTION AGREEMENTS

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

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

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

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

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

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

NOTE P. REGIONAL CONTRIBUTION AGREEMENTS (continued)

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

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

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

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

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

NOTE Q. SUBSEQUENT EVENTS (continued)

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

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

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

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

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

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

City of Paterson
FY 2014

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

Current Fund Schedules

City of Paterson
FY 2014

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

SCHEDULE OF CASH - TREASURER

	Ref.	Current Fund		Federal and State Grant Fund	
Balance: June 30, 2013	A		$ 14,895,328		$ 930,677
Increased by:					
Miscellaneous Revenues Not Anticipated	A-2b	$ 1,136,022		$ -	
Current Year Appropriations	A-3a	2,106,197		-	
Collector	A-5	256,404,582		-	
Sr. Citizens and Veterans Deductions	A-8	266,707		-	
Revenue Accounts Receivable	A-15	62,228,389		-	
Interfunds	A-17	66,278,818		-	
Appropriation Reserves	A-18	506,157		-	
Special Emergency Notes Payable	A-27	8,462,000		-	
State Library Aid	A-30	79,051		-	
Allocate Interfunds	A-36	-		1,139,580	
			397,467,923		1,139,580
			412,363,251		2,070,257
Decreased by:					
Refund of Prior Year's Revenue	A-1	327,529		-	
Tax Receipts Refunded - Current Taxes	A-2a	7,210,808		-	
Miscellaneous Revenues Not Anticipated	A-2b	8,761		-	
Current Year Appropriations	A-3a	218,386,529		-	
Revenue Accounts Receivable	A-15	41,000		-	
Interfunds	A-17	64,032,341		-	
Appropriation Reserves	A-18	6,233,993		-	

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

SCHEDULE OF CASH - TREASURER

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

Exhibit A-5

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

SCHEDULE OF CASH - COLLECTOR

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

Exhibit A-6

SCHEDULE OF CHANGE FUND

	Ref.	
Balance: June 30, 2014 and 2013	A	$ 685

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

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year Ended June 30,	Balance, June 30, 2013	2014 Tax Levy	Added Taxes	Collections: By Cash Receipts - Net of Refunds 2013	Collections: By Cash Receipts - Net of Refunds 2014	Collections: By Discounts Allowed	Collections: Other	Canceled	Transferred to Tax Title Liens	Balance, June 30, 2014
1998	$ -	$ -	$ 829	$ -	$ 829	$ -	$ -	$ -	$ -	$ -
1999	38	-	-	-	-	-	-	-	-	38
2000	40	-	-	-	-	-	-	-	-	40
2001	1,113	-	-	-	-	-	-	-	-	1,113
2003	-	-	182	-	-	-	-	-	182	-
2004	5	-	185	-	-	-	-	-	185	5
2005	50	-	-	-	-	-	-	-	-	50
2006	-	-	91	-	-	-	-	-	91	-
2007	-	-	387	-	-	-	-	-	387	-
2008	-	-	11,586	-	3,705	-	-	-	7,881	-
2009	-	-	21,552	-	13,744	-	-	-	7,808	-
2010	114	-	50,440	-	40,570	-	-	-	9,833	151
2011	11,328	-	113,787	-	80,418	-	-	-	8,114	36,583
2012	625	-	19,115	-	13,185	-	-	-	6,428	127
2013	26,084	-	228,397	-	107,513	3,625	-	139,802	1,552	1,989
Total Prior Years	39,397	-	446,551	-	259,964	3,625	-	139,802	42,461	40,096
2014	-	238,488,241	-	129,230	221,053,155	302,625	2,217,551	10,481,543	4,220,246	83,891
	$ 39,397	$ 238,488,241	$ 446,551	$ 129,230	$ 221,313,119	$ 306,250	$ 2,217,551	$ 10,621,345	$ 4,262,707	$ 123,987
Ref.	A			A-2a, A-20	A-2a, A-5	A-2a, A-8	A-2a, A-22		A-9	A

Tax Yield:

General Purpose	$ 237,679,821
Added and Omitted Taxes	808,420
	$ 238,488,241

Tax Levy:

Total Local District School Tax		$ 39,460,570
County Tax		
General County Taxes	$ 46,661,518	
County Open Space Taxes	660,186	
Added and Omitted County Taxes	158,548	
Total County Tax		47,480,252
Minimum Library Tax		2,382,179
Local Tax for Municipal Purposes		
Local Tax for Municipal Purposes	142,920,070	
Local Tax for Municipal Purposes (Added)	808,420	
Add: Additional Tax Levied	5,436,750	
Total Local Tax for Municipal Purposes		149,165,240
		$ 238,488,241

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

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

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

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

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

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

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

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

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

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

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

SCHEDULE OF SEWER CHARGES RECEIVABLE

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

Exhibit A-11

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

SCHEDULE OF SEWER LIENS RECEIVABLE

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

Exhibit A-12

SCHEDULE OF DEMOLITION LIENS RECEIVABLE

	Ref.	
Balance: June 30, 2013	A	$ 746,175
Increased by:		
Billings		246,045
		992,220
Decreased by:		
Cancellations		29,400
Balance: June 30, 2014	A	$ 962,820

Exhibit A-13

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

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION

	Ref.	
Balance: June 30, 2014	A	$ 5,107,360

Exhibit A-14

SCHEDULE OF SALES CONTRACTS RECEIVABLE -
PROPERTY ACQUIRED FOR TAXES

	Ref.	
Balance: June 30, 2014 and 2013	A	$ 25,000

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

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

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

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

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

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

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

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

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

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

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

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

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

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

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

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

SCHEDULE OF DEFERRED CHARGES

	Ref.		
Balance: June 30, 2013	A		$ 9,060,000
Increased by:			
Emergency Authorizations:			
Snow Removal, Reso. 14-215	A-1	$ 800,000	
Accrued Sick and Vacation Time, Ord. 14-009	A-1	1,650,000	
	A-3a		2,450,000
			11,510,000
Decreased by:			
Deferred Charges Raised in Budget:			
Special Emergency Authorizations			
Accrued Sick and Vacation Time - 2011		806,000	
Accrued Sick and Vacation Time - 2012		568,000	
Accrued Sick and Vacation Time - 2013		454,000	
Revaluation		420,000	
	A-27		2,248,000
Balance: June 30, 2014	A		$ 9,262,000

Analysis of Balance:	
Special Emergency Appropriation:	
Revaluation	$ 1,680,000
Snow Removal	800,000
Accrued Sick and Vacation Time - FY 2014	1,650,000
Accrued Sick and Vacation Time - FY 2013	1,816,000
Accrued Sick and Vacation Time - FY 2012	1,704,000
Accrued Sick and Vacation Time - FY 2011	1,612,000
	$ 9,262,000

Exhibit A-17

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

SCHEDULE OF INTERFUNDS PAYABLE

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

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

SCHEDULE OF APPROPRIATION RESERVES

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

See Accompanying Notes to Financial Statements

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

SCHEDULE OF APPROPRIATION RESERVES

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

See Accompanying Notes to Financial Statements

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

SCHEDULE OF APPROPRIATION RESERVES

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

See Accompanying Notes to Financial Statements

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

SCHEDULE OF APPROPRIATION RESERVES

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

See Accompanying Notes to Financial Statements

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

SCHEDULE OF APPROPRIATION RESERVES

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

See Accompanying Notes to Financial Statements

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

SCHEDULE OF APPROPRIATION RESERVES

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

See Accompanying Notes to Financial Statements

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

SCHEDULE OF APPROPRIATION RESERVES

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

See Accompanying Notes to Financial Statements

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

SCHEDULE OF APPROPRIATION RESERVES

	Balance: June 30, 2013		Balance After	Accounts	Paid or	Balance
	Reserved	Encumbered	Transfers	Payable	Charged	Lapsed
(C) Capital Improvements - Excluded from "CAPS"						
Apollo Site Contamination Investigation	$ 18,349	$ 21,651	$ 40,000	$ 17,777	$ 3,874	$ 18,349
(F) Judgments	25,000	-	25,000	-	-	25,000
TOTAL GENERAL APPROPRIATIONS	$ 2,009,711	$ 5,424,365	$ 7,434,076	$ 104,717	$ 6,744,806	$ 584,553
Ref.	A	A-19		A-19		A-1

Cash Disbursements	A-4	$ 6,233,993	
Reclass to Current Year Budget	A-3a	1,231,412	
Reimburse Interfunds	A-17	20,972	
Tax Overpayment	A-21	1,132	
			$ 7,487,509
Less:			
Cash Receipts	A-4	506,157	
Reimbursed by Interfunds	A-17	156,849	
Sick and Vacation Reserve	A-28	79,697	
			742,703
			$ 6,744,806

See Accompanying Notes to Financial Statements

Exhibit A-19

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

SCHEDULE OF REQUISITIONS AND ACCOUNTS PAYABLE

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

Requisitions Payable	$ 1,381,102
Accounts Payable	4,374,058
	$ 5,755,160

Exhibit A-20

SCHEDULE OF PREPAID TAXES

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

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

SCHEDULE OF TAX OVERPAYMENTS

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

Exhibit A-22

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

SCHEDULE OF OTHER RESERVES

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

Exhibit A-23

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

SCHEDULE OF PREPAID SEWERS

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

Exhibit A-24

SCHEDULE OF SEWER OVERPAYMENTS

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

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

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

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

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

SCHEDULE OF COUNTY TAXES PAYABLE

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

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

SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

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

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

SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

Ordinance Number	Original Date of Issue	Original Amount	Date of Issue	Maturity Date	Interest Rate	Balance June 30, 2013	Notes Issued	Refunded	Paid by Appropriation	Balance June 30, 2014
Revaluation 13-011	03/26/2013	$ 2,100,000 (1)	6/3/2014	6/3/2015	1.500%	$ -	$ -	$ 1,680,000	$ -	$ 1,680,000
			6/4/2013	6/4/2014	2.000%	2,100,000	-	(1,680,000)	420,000	-
						$ 9,060,000	$ 1,650,000	$ -	$ 2,248,000	$ 8,462,000
					Ref.	A			A-16	A

Cash Received on New Notes Issued		$ 1,650,000
Cash Received on Renewed Notes		6,812,000
	A-4	8,462,000
Less: Cash Disbursed on Notes Renewed	A-4	6,812,000
		$ 1,650,000

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

Exhibit A-28

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

SCHEDULE OF RESERVE FOR ACCRUED SICK AND VACATION TIME

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

Exhibit A-29

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

	Ref.	
Balance: June 30, 2014 and 2013	A	$ 6,250

Exhibit A-30

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

SCHEDULE OF RESERVE FOR STATE LIBRARY AID

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

Exhibit A-31

SCHEDULE OF RESERVE FOR LIBRARY FINES AND DONATIONS

	Ref.	
Balance: June 30, 2013	A	$ 4,166
Decreased by:		
Cash Disbursements	A-4	1,189
Balance: June 30, 2014	A	$ 2,977

Exhibit A-32

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

SCHEDULE OF RESERVE FOR ABC LICENSE SURCHARGE

	Ref.	
Balance: June 30, 2013	A	$ 206,800
Increased by:		
Surcharges Collected	A-15	28,200
Balance: June 30, 2014	A	$ 235,000

Exhibit A-33

SCHEDULE OF RESERVE FOR STATE TAX APPEALS

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

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

SCHEDULE OF RESERVE FOR REVALUATION

	Ref.	
Balance: June 30, 2013	A	$ 2,099,600
Decreased by:		
Cash Disbursements	A-4	24,981
Balance: June 30, 2014	A	$ 2,074,619

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

Federal and State Grants Fund Schedules

City of Paterson
FY 2014

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

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

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

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

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

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

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

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

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

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

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

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

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

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

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

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

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

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

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

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

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

Life Hazard Use Fees	$ 263,584
Public and Private Pro	10,031,193
	$ 10,294,777

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

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

SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE)

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

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

SCHEDULE OF REQUISITIONS AND ACCOUNTS PAYABLE

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

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

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

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

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

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

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

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

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

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

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

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

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

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

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

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

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

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

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

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

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

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

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

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

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

				Cancelled:
Public and Private Programs	$ 10,730,509	A-35	$ 186,232	Against Receivable
Life Hazard Use Fees	263,584	A-36	1,728	To Current Fund Operations
	$ 10,994,093		$ 187,960	

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

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

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

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

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

SCHEDULE OF RESERVE FOR GRANT OVERPAYMENTS

	Ref.	
Balance: June 30, 2014 and 2013	A	$ 64,215

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

Trust Fund Schedules

City of Paterson
FY 2014

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

SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASURER

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

Exhibit B-3

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

SCHEDULE OF TAXES RECEIVABLE - SPECIAL IMPROVEMENT DISTRICTS

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

Exhibit B-4

SCHEDULE OF DUE TO SPECIAL IMPROVEMENT DISTRICTS

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

Exhibit B-5

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

SCHUDULE OF GRANTS RECEIVABLE

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

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

	Ref.	
Balance: June 30, 2013	B	$ 78
Increased by:		
Fees Collected	B-2	3,068
		3,146
Decreased by:		
Cash Disbursements	B-2	3,054
Balance: June 30, 2014	B	$ 92

Exhibit B-7

SCHEDULE OF RESERVE FOR OFF-DUTY POLICE OFFICERS

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

Exhibit B-8

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

SCHEDULE OF RESERVE FOR ADMINISTRATION OFF-DUTY POLICE OFFICERS

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

Exhibit B-9

SCHEDULE OF DUE FROM MUNICIPAL UTILITY AUTHORITY

	Ref.	
Balance: June 30, 2014 and 2013	B	$ 3,199,181

Exhibit B-10

SCHEDULE OF RESERVE FOR MUNICIPAL UTILITY AUTHORITY RECEIVABLE

	Ref.	
Balance: June 30, 2014 and 2013	B	$ 3,199,181

Exhibit B-11

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

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

	Ref.		
Balance: June 30, 2013	B	$	7,342
Increased by:			
Cash Receipts	B-2		390,327
			397,669
Decreased by:			
Expenditures under R.S. 4:19-15. 11	B-23		389,630
Balance: June 30, 2014	B	$	8,039

License Fees Collected:		
2012	$	352,342
2013		328,260
Maximum Allowable Reserve	$	680,602

Exhibit B-12

SCHEDULE OF REDEVELOPMENT/CDBG HELD PROPERTY

	Ref.		
Balance: June 30, 2014 and 2013	B	$	172,930

Exhibit B-13

SCHEDULE OF RESERVE FOR REDEVELOPMENT/CDBG HELD PROPERTY

	Ref.		
Balance: June 30, 2014 and 2013	B	$	172,930

Exhibit B-14

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

SCHEDULE OF RESERVE FOR PARKING OFFENSE ADJUDICATION ACT

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

Exhibit B-15

SCHEDULE OF RESERVE FOR WEIGHTS AND MEASURES

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

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

SCHEDULE OF RESERVE FOR PUBLIC DEFENDER FEES

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

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

SCHEDULE OF RESERVE FOR OTHER DEPOSITS

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

Exhibit B-18

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

SCHEDULE OF TAX OVERPAYMENTS -
SPECIAL IMPROVEMENT DISTRICTS

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

Exhibit B-19

SCHEDULE OF TAX TITLE LIENS RECEIVABLE -
SPECIAL IMPROVEMENT DISTRICTS

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

Exhibit B-20

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

SCHEDULE OF PREPAID REVENUE -
SPECIAL IMPROVEMENT DISTRICTS

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

Exhibit B-21

SCHEDULE OF RESERVE FOR TAXES RECEIVABLE -
SPECIAL IMPROVEMENT DISTRICTS

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

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

SCHEDULE OF RESERVE FOR PAYROLL AGENCY

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

Exhibit B-23

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

SCHEDULE OF DUE TO CURRENT FUND

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

Exhibit B-24

SCHEDULE OF DUE TO HOUSING AUTHORITY-
STRAIGHT AND NARROW

	Ref.	
Balance: June 30, 2013	B	$ 21,820
Decreased by:		
Prior Year Payment to Housing Authority	B-25	21,820
Balance: June 30, 2014	B	$ -

Exhibit B-25

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

SCHEDULE OF RESERVE FOR VARIOUS GRANTS

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

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

General Capital Fund Schedules

City of Paterson
FY 2014

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

SCHEDULE OF CASH - TREASURER

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

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

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

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

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

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

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

Exhibit C-4

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

SCHEDULE OF GRANT FUNDS RECEIVABLE - STATE

	Ordinance Number	Balance: June 30, 2013	Increased by: Grant Awards	Decreased by: Cash Receipts	Decreased by: Interfund	Balance: June 30, 2014
Department of Transportation Grants:						
Main and Market Feasibility Study		$ 175,000	$ -	$ -	$ -	$ 175,000
2013 Road Resurfacing	13-038	-	563,650	-	-	563,650
2012 Road Resurfacing	12-026	489,700	-	367,275	122,425	-
2011 Road Resurfacing		145,894	-	104,239	-	41,655
DOT Streetscape Main / Market		372,500	-	-	-	372,500
DOT Bikeway and Walkway Project		250,000	-	-	-	250,000
DOT Spruce Street Signal		94,208	-	-	-	94,208
DOT Pedestrian Signals		76,982	-	-	-	76,982
Department of Environmental Protection:						
Trust Pennington Park	08-022	1,468,755	-	1,314,956	-	153,799
Various Parks, Amended by Ord. 13-041 for Great Falls and Pocket Parks	13-041	859,093	348,000	-	-	1,207,093
ATP Site / Haines Park		1,283,665	-	-	-	1,283,665
Combined Sewer Outflow Phase 4		1,751,520	-	-	-	1,751,520
		$ 6,967,317	$ 911,650	$ 1,786,470	$ 122,425	$ 5,970,072
		C, C-3	C-14	C-9	C-9	C, C-3

Exhibit C-5

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

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

	Ref.	
Balance: June 30, 2013	C	$ 41,918
Decreased by:		
Budget Appropriation	C-12	41,918
Balance: June 30, 2014	C	$ -

Exhibit C-6

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

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

Exhibit C-7

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

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

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

Exhibit C-7a

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

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

Ord. Number	Improvement Description	Balance June 30, 2014	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	859,093	-	859,093	-	859,093
08-021	Various Park Improvements	783,665	-	783,665	-	783,665
11-014	Tax Appeal Refunding	1,300,000	1,300,000	-	-	-
12-025	Tax Appeals	1,980,000	1,980,000	-	-	-
13-005	Tax Appeals / Deficit	933,000	933,000	-	-	-
13-040	Sewer Reconstruction	2,665,000	2,665,000	-	-	-
13-041	Various Park Improvements at Great Falls and Pocket Parks (amend 06-001)	348,000	-	348,000	81,618	266,382
13-042	Various Capital Improvements	4,830,000	4,830,000	-	-	-
14-021	Tax Appeal Refunding	3,300,000	3,300,000	-	-	-
		$ 24,403,953	$ 15,008,000	$ 9,395,953	$ 86,618	$ 9,309,335
		C-7	C-13	C-19		

Exhibit C-8

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

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

	Ref.	Total	Phase IV
Balance: June 30, 2014 and 2013	C, C-3	$ 8,757,606	$ 8,757,606

Exhibit C-9

SCHEDULE OF DUE FROM CURRENT FUND

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

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

SCHEDULE OF GENERAL SERIAL BONDS

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

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2014 Date	Amount	Interest Rate %	Balance June 30, 2013	Bonds Issued	Decrease	Balance June 30, 2014
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				
						$ 64,341,623	$ -	$ 2,900,000	$ 61,441,623
					Ref.	C		C-6	C

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

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding at June 30, 2014 Date	Principal	Interest	Balance June 30, 2013	Decrease	Balance June 30, 2014
Trust Loan Series 2003A	10/15/03	$ 2,160,000	2015	$ 110,000	2.0%	$ 1,465,000	$ 105,000	$ 1,360,000
Phase I			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	2015	290,368	None	2,849,837	291,011	2,558,826
Phase I	Less: Forgiven	356,113	2016	290,282				
		5,198,366	2017	290,796				
			2018	290,753				
			2019	290,089				
			2020	296,497				
			2021	292,854				
			2022	289,425				
			2023	227,762				

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

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding at June 30, 2014 Date	Principal	Interest	Balance June 30, 2013	Decrease	Balance June 30, 2014
Trust Loan Series 2004A	10/13/04	$ 820,000	2015	$ 40,000	2.0%	$ 595,000	$ 40,000	$ 555,000
Phase II			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	2015	122,059	None	1,146,100	125,447	1,020,653
Phase II	Less: Forgiven	317,532	2016	119,047				
		2,009,411	2017	125,259				
			2018	121,447				
			2019	117,212				
			2020	122,153				
			2021	117,447				
			2022	121,918				
			2023	54,111				

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

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding at June 30, 2014 Date	Principal	Interest	Balance June 30, 2013	Decrease	Balance June 30, 2014
Trust Loan Series 2005A	11/10/05	$ 910,000	2015	$ 45,000	2.0%	$ 745,000	$ 45,000	$ 700,000
Phase III			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	2015	136,136	None	1,415,617	140,267	1,275,350
Phase III	Less: Forgiven	372,864	2016	141,414				
		2,249,736	2017	137,743				
			2018	134,071				
			2019	139,269				
			2020	134,977				
			2021	139,533				
			2022	134,645				
			2023	138,804				
			2024	38,759				

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

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

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

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

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

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

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

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

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

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

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

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

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

SCHEDULE OF NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION SETTLEMENT PAYABLE

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

Exhibit C-13

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

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, 2013	Increase	Decrease	Balance June 30, 2014
11-014	Tax Appeal Refunding	06/10/11	06/03/14	06/03/15	1.25%	-	1,300,000	-	1,300,000
11-014	Tax Appeal Refunding	06/10/11	06/04/13	06/04/14	1.50%	1,950,000	-	1,950,000	-
12-025	Tax Appeal Refunding	06/28/12	06/03/14	06/03/15	1.25%	-	1,980,000	-	1,980,000
12-025	Tax Appeal Refunding	06/28/12	06/04/13	06/04/14	1.50%	2,640,000	-	2,640,000	-
13-005	Tax Appeal Refunding / Deficit	06/04/13	06/03/14	06/03/15	1.25%	-	933,000	-	933,000
13-005	Tax Appeal Refunding / Deficit	06/04/13	06/04/13	06/04/14	1.50%	1,400,000	-	1,400,000	-
13-040	Sewer Reconstruction	06/03/14	06/03/14	06/03/15	1.25%	-	2,665,000	-	2,665,000
13-042	Various Capital Improvements	06/03/14	06/03/14	06/03/15	1.25%	-	4,830,000	-	4,830,000
14-021	Tax Appeal Refunding	06/26/14	06/26/14	06/03/15	1.25%	-	3,300,000	-	3,300,000
						$ 5,990,000	$ 15,008,000	$ 5,990,000	$ 15,008,000
					Ref.	C			C, C-7a
		Notes Renewed			Contra		$ 4,213,000	$ 4,213,000	
		New Notes Issued					10,795,000	-	
					C-9		15,008,000	4,213,000	
		Budget Appropriation			C-7; C-19		-	1,777,000	
					C-19		$ 15,008,000	$ 5,990,000	

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

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance Date	Ordinance No.	Ordinance Amount	Balance: June 30, 2013 Funded	Balance: June 30, 2013 Unfunded	2014 Authorizations	Cancellations	Paid or Charged	Balance: June 30, 2014 Funded	Balance: June 30, 2014 Unfunded
Various Acquisition Public Works	06/11/99	*	$ 2,016,000	$ 291,116	$ -	$ -	$ -	$ 10,432	$ 280,684	$ -
Sewer Reconstruction	07/17/01	*	151,000	120,017	-	-	-	36,580	83,437	-
Combined Sewer Outflow Phase I	12/17/02	*	10,942,000	434,239	-	-	-	256,830	177,409	-
Combined Sewer Outflow Phase II	01/27/04	*	6,538,000	1,081,737	-	-	-	447,535	634,202	-
Main/Market Street Streetscape Project	04/13/04	*	1,760,000	202,549	-	-	-	-	202,549	-
Construction of a Bikeway/Walkway at the ATP Site	07/13/04	*	250,000	250,000	-	-	-	-	250,000	-
Combined Sewer Outflow Phase III NJ	*	*	18,326,400	10,486,570	-	-	-	-	10,486,570	-
Combined Sewer Outflow Phase III	*	05-005	21,919,000	-	7,400,195	-	-	-	-	7,400,195
Various Park Improvements, Amended by 13-041:	10/25/05,	06-001,								
Great Falls and Pocket Parks	09/24/13	13-041	2,474,726	778,330	778,330	696,000	-	1,710	1,125,475	1,125,475
Capital Improvements	02/14/06	*	1,955,000	163,171	-	-	-	37,581	125,590	-
Various Sewer Reconstruction	12/24/06	06-067	2,500,000	119,727	-	-	-	-	119,727	-
Various Capital Improvements-Facilities	02/27/07	07-006	500,000	473,077	-	-	-	41,421	431,656	-
Various Capital Improvements-Roadways	02/27/07	07-006	810,000	193,149	-	-	-	100,859	92,290	-
Various Capital Improvements	05/15/07	07-023	1,601,000	97,863	-	-	-	-	97,863	-
City Road Resurfacing Program	09/25/07	07-050	2,100,000	34,875	-	-	-	34,875	-	-
Various Park Improvements-Pennington Park	06/24/08	08-022	2,800,000	2,055,376	1,112,491	-	-	2,836,236	331,631	-
Various Park Improvements-ATP Site Park	06/24/08	08-021	2,067,330	1,283,665	783,665	-	-	-	1,283,665	783,665
Acquisition of Equipment	06/24/08	08-020	800,000	92,257	-	-	-	16,632	75,625	-
Various Capital Improvements-Facility	06/24/08	08-020	1,870,000	931,742	-	-	-	23,765	907,977	-
2009 City Road Resurfacing Program	11/12/08	08-037	2,100,000	227,205	-	-	-	227,150	55	-
Sewer Reconstruction	11/19/08	08-036	2,500,000	27,955	-	-	-	27,750	205	-
Construction of Fire House	05/26/09	09-013	3,360,000	3,166,353	-	-	-	1,501,463	1,664,890	-
DOT Spruce Street Mcbride Avenue Signalization	04/28/09	09-010	250,257	6,159	-	-	-	-	6,159	-
DOT Pedestrian Signal Improvements	05/26/09	09-017	190,000	1,109	-	-	-	-	1,109	-
2010 Road Resurfacing	10/27/09	09-030	2,100,000	415,341	-	-	-	381,229	34,112	-
Sewer Reconstruction	10/27/09	09-031	2,800,000	27,360	-	-	-	21,325	6,035	-
Various Capital Improvements	10/27/09	09-032	2,195,000	807,831	-	-	-	274,494	533,337	-
Sewer Reconstruction	09/28/10	10-045	2,800,000	43,412	-	-	-	43,412	-	-
Debt Restructuring	02/22/11	11-014	5,000,000	-	9,791	-	-	7,273	-	2,518
Recreation Facility Improvements	04/01/11	11-016	2,250,000	1,216,377	-	-	-	275,606	940,771	-
Sewer Reconstruction	04/01/11	11-017	3,000,000	110,669	-	-	-	96,437	14,232	-
2011 DOT Road Reconstruction	04/13/11	11-018	509,860	19,384	-	-	-	(22,271)	41,655	-
Sewer Reconstruction	1/24/2012	12-004	4,200,000	1,218,308	-	-	-	1,124,552	93,756	-
Tax Appeal Refunds	6/1/2012	12-025	3,300,000	-	9,618	-	-	9,459	-	159
2012 DOT Road Resurfacing Program	6/12/2012	12-026	489,700	489,700	-	-	-	489,700	-	-
Debt Restructuring	1/22/2013	13-001	11,600,000	9,776	15,000	-	15,000	9,776	-	-

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

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance Date	Ordinance No.	Ordinance Amount	Balance: June 30, 2013 Funded	Balance: June 30, 2013 Unfunded	2014 Authorizations	Cancellations	Paid or Charged	Balance: June 30, 2014 Funded	Balance: June 30, 2014 Unfunded
2014 DOT Road Resurfacing Program	08/20/13	13-038	563,650	$ -	$ -	$ 563,650	$ -	$ -	$ 563,650	$ -
Sewer Reconstruction	09/24/13	13-040	2,800,000	-	-	2,800,000	-	1,018,270	-	1,781,730
Various Capital Improvements	09/24/13	13-042	5,073,000	-	-	5,073,000	-	832,691	-	4,240,309
Street Sweeper and Finance Software	09/24/13	13-043	1,485,000	-	-	1,485,000	-	1,247,218	237,782	-
Tax Appeal Refunding	05/14/14	14-021	3,300,000	-	-	3,300,000	-	1,106,359	-	2,193,641
				$ 26,876,399	$ 10,109,090	$ 13,917,650	$ 15,000	$ 12,516,349	$ 20,844,098	$ 17,527,692
			Ref	C	C		C-7	C-9	C	C

	Ref	
Capital Improvement Fund	C-15	$ 378,000
Deferred Changes to Future Taxation - Unfunded	C-7	11,143,000
Capital Fund Balance	C-9	1,485,000
Grants Receivable - State	C-4	911,650
		$ 13,917,650

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

SCHEDULE OF CAPITAL IMPROVEMENT FUND

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

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

SCHEDULE OF GREEN ACRES TRUST LOAN PAYABLE

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

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

SCHEDULE OF GREEN ACRES TRUST LOAN PAYABLE

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

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

SCHEDULE OF GREEN ACRES TRUST LOAN PAYABLE

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

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

SCHEDULE OF GREEN ACRES TRUST LOAN PAYABLE

Purpose	Ordinance Date	Amount of Original Issue	Maturities of Loans Outstanding June 30, 2014 Date	Amount	Interest Rate %	Balance June 30, 2013	Increased by Loans Issued	Decreased by Budget Appropriation	Balance June 30, 2014
Restoration of Pennington Park - Lower Field			02/15/25	$ 15,152					
Loan No. 1608-05-029	(continued)		08/15/25	15,151					
			02/15/26	15,152					
			08/15/26	15,151					
			02/15/27	15,152					
			08/15/27	15,151					
			02/15/28	15,152					
			08/15/28	15,151					
			02/15/29	15,152					
			08/15/29	15,151					
			02/15/30	15,152					
			08/15/30	15,152					
Mary Ellen Kramer Park	Ordinance No.	$ 1,237,362	Not yet amortized.			$ 378,270	$ -	$ -	$ 378,270
No. 1608-03-066	06-001		Project not completed.						
						$ 959,785	$ 968,755	$ 52,362	$ 1,876,178
					Ref.	C	C-9, C-19	C-6	C

Exhibit C-17

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

SCHEDULE OF DEMOLITION LOAN PAYABLE

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

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

SCHEDULE OF ECONOMIC DEVELOPMENT LOAN PAYABLE - SCHOOL

	Ref.	
Balance: June 30, 2013	C	$ 604,805
Decreased by:		
Budget Appropriation	C-6	604,805
Balance: June 30, 2014	C	$ -

Exhibit C-19

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

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

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

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

General Fixed Assets Schedules

City of Paterson
FY 2014

Exhibit D-1

CITY OF PATERSON
GENERAL FIXED ASSET
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SCHEDULE OF CHANGES IN FIXED ASSETS BY CLASS

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

Exhibit D-2

SCHEDULE OF RESERVE FOR FIXED ASSETS

	Ref.	
Balance: June 30, 2014 and 2013	D	$ 62,490,038

REPORT OF AUDIT

STATISTICAL SECTION

City of Paterson
FY 2014

Table 1

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

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

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

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, 2014	2.896	1.877	0.538	0.481
June 30, 2013	2.744	1.743	0.537	0.463
June 30, 2012	2.515	1.597	0.477	0.441
June 30, 2011	2.515	1.567	0.519	0.429
June 30, 2010	2.126	1.191	0.511	0.424

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

Table 3

SCHEDULE OF DELINQUENT TAXES AND TAX TITLE LIENS

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

Table 4

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

SCHEDULE OF TAX LEVIES AND COLLECTIONS

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

Table 5

SCHEDULE OF PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

Year Ended	Amount
June 30, 2014	$ 5,107,360
June 30, 2013	5,107,360
June 30, 2012	5,107,360
June 30, 2011	5,107,360
June 30, 2010	5,107,360

Table 6

PERCENTAGE OF NET ASSESSED VALUE TO ESTIMATED FULL CASH VALUATION

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

CITY OF PATERSON

OFFICIALS IN OFFICE

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

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

CITY OF PATERSON

OFFICIALS IN OFFICE

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

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

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

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

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

REPORT OF AUDIT

ADDITIONAL INFORMATION
RELATING TO
INTERNAL CONTROL AND COMPLIANCE

City of Paterson
FY 2014

DONOHUE, GIRONDA & DORIA

Certified Public Accountants

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

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

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

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

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

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Findings 2014-001 and 2014-002.

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

The City's Response to Findings

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

Purpose of this Report

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

DONOHUE, GIRONDA & DORIA
Certified Public Accountants

FREDERICK J. TOMKINS
Registered Municipal Accountant No. 327

Bayonne, New Jersey
October 9, 2015

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

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

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion on the Federal Home Investment Partnership Grant (HOME) and the Federal Community Development Block Grants Cluster (CDBG)

As described in Findings 2014-003 through 2014-006 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the following:

Finding Number	CFDA Number	Program (or Cluster) Name	Compliance Requirement
2014-003	14.218/14.253	CDBG Cluster	Reporting
2014-004	14.218/14.253	CDBG Cluster	Subrecipient Monitoring
2014-005	14.239	HOME Grant	Special Tests and Provisions
2014-006	14.239	HOME Grant	Allowable Costs/Cost Principles

Qualified Opinion on the Federal Home Investment Partnership Grant (HOME) and the Federal Community Development Block Grants Cluster (CDBG)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Federal Home Investment Partnership Grant (HOME), Federal Housing and the Federal Community Development Block Grants Cluster (CDBG) for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal and State Programs

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

Other Matters

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

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakens in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2014-006 that we consider to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

DONOHUE, GIRONDA & DORIA
Certified Public Accountants

FREDERICK J. TOMKINS
Registered Municipal Accountant No. 327

Bayonne, New Jersey
October 9, 2015

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

Federal Department and Program	Federal CFDA Number	State Account Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance: June 30, 2013 Reserved	Balance: June 30, 2013 Encumbered	Current Year Appropriations	Paid or Charged	Cancellations Program Income/ Transfers	Balance: June 30, 2014 Encumbered	Balance: June 30, 2014 Reserved	Cumulative Expenditures
Department of Agriculture														
Senior Farmer's Market Nutrition Project	10.576	046-4220-100-474	6/1/2013	9/30/2013	$ 500	$ 500	$ -	$ -	$ 500	$ 500	$ -	$ -	$ -	$ 500
Total Department of Agriculture						$ 500	$ -	$ -	$ 500	$ 500	$ -	$ -	$ -	
Department of Justice														
COPS Hiring Program	16.710	N/A	09/01/13	08/31/16	$ 1,672,510	$ -	$ -	$ -	$ 1,672,510	$ -	$ -	$ 500,000	$ 1,172,510	$ -
COPS Hiring Recovery Program	16.710	N/A	07/01/08	06/30/09	3,747,375	804,867	804,867	-	-	804,867	-	-	-	3,747,375
Total CFDA 16.710						804,867	804,867	-	1,672,510	804,867	-	500,000	1,172,510	
Passed through NJ Department of Law and Public Safety														
Byrne Memorial Justice Assistance-Equipment Grant	16.738	66-1020-100-364	07/01/12	06/30/13	134,911	5,569	122,411	12,500	-	46,067	-	27,391	61,453	46,067
Byrne Memorial Justice Assistance-Equipment Grant	16.738	66-1020-100-364	07/01/11	06/30/12	160,946	92,000	24,176	32,714	-	55,724	-	720	446	159,780
Byrne Memorial Law Enforcement Technology Grant	16.738	66-1020-100-384	07/01/11	06/30/12	500,000	76,762	26,519	103,245	-	32,695	-	97,069	-	402,931
Passed through City of Passaic														
2013 Byrne Memorial Justice Assistance Grant - Joint Application for the Cities of Clifton, Passaic and Paterson	16.738	Award Number (Passaic City) - 2013-DJ-BX-0382	10/01/12	09/30/16	131,306	3,659	-	-	131,306	-	-	-	131,306	-
Byrne Memorial Justice Assistance-Equipment Grant	16.738	66-1020-100-364	07/01/09	06/30/10	217,820	116,663	425	-	-	425	-	-	-	217,820
Total CFDA 16.738						294,653	173,531	148,459	131,306	134,911	-	125,180	193,205	
Bulletproof Vest Program	16.607	N/A	07/01/11	06/30/12	31,275	-	-	31,275	-	31,275	-	-	-	31,275
Bulletproof Vest Partnership Program	16.607	N/A	*	*	3,285	3,285	-	-	3,285	-	-	3,285	-	-
Total CFDA 16.607						3,285	-	31,275	3,285	31,275	-	3,285	-	
Passed through NJ Department of Law and Public Safety														
Paterson Safe Neighborhoods Program	16.609	066-1020-100-377	07/01/12	06/30/13	8,000	8,000	3,944	-	-	3,944	-	-	-	8,000
Total Department of Justice						$ 1,110,805	$ 982,342	$ 179,734	$ 1,807,101	$ 974,997	$ -	$ 628,465	$ 1,365,715	
Department of Homeland Security														
FEMA - Assistance to Firefighters Grant 2009	97.044	N/A	07/01/12	06/30/13	$ 222,335	$ 177,868	$ 16,210	$ 206,125	$ -	$ 222,335	$ -	$ -	$ -	$ 222,335
FEMA - Assistance to Firefighters Grant 2010	97.044	N/A	07/01/09	06/30/10	*	-	-	2,520	-	2,176	(344)	-	-	*
FY2011 Assistance to Firefighters Grant - Fire Prevention and Safety Grants	97.044	N/A	*	*	68,204	68,204	-	-	68,204	68,104	-	-	100	68,104
FEMA - Assistance to Firefighters Grant	97.044	N/A	07/01/11	06/30/12	134,670	-	18,956	65,843	-	18,848	-	-	65,951	68,719
Total CFDA 97.044						246,072	35,166	274,488	68,204	311,463	(344)	-	66,051	
Passed through New Jersey Law and Public Safety														
2012 Emergency Management Performance Grant Program	97.042	FY-12-EMPG-EMAA	01/01/12	12/31/12	10,000	10,000	-	-	10,000	10,000	-	-	-	10,000
Emergency Management Assistance	97.042	66-1200-100-726	10/01/11	09/30/12	10,000	-	10,000	-	-	10,000	-	-	-	10,000
Total CFDA 97.042						10,000	10,000	-	10,000	20,000	-	-	-	
Fire Station Construction	97.067	66-1200-100-A70	07/01/09	06/30/10	4,500,000	4,500,000	-	4,500,000	-	4,249,558	-	250,442	-	4,249,558
Passed through NJ Department of Law and Public Safety														
Urban Area Security Initiative Grants - Homeland Security Grant Program														
USAR Reimbursement Funds 2012	97.067	066-1200-100-975	07/01/11	06/30/12	$ 19,522	-	649	-	-	649	-	-	-	19,522
State Police, Fire Urban Search and Rescue (USAR): Metro Strike Team, Structure Collapse and Annual Must Exercise FD Programs	97.067	066-1200-100-975	*	*	129,041	109,515	-	-	129,041	23,351	-	-	105,690	23,351
Total CFDA 97.067						4,609,515	649	4,500,000	129,041	4,273,558	-	250,442	105,690	

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

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

Federal Department and Program	Federal CFDA Number	State Account Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance: June 30, 2013 Reserved	Balance: June 30, 2013 Encumbered	Current Year Appropriations	Paid or Charged	Cancellations Program Income/ Transfers	Balance: June 30, 2014 Encumbered	Balance: June 30, 2014 Reserved	Cumulative Expenditures
Department of Homeland Security (continued)														
Subtotal Department of Homeland Security						$ 4,865,587	$ 45,815	$ 4,774,488	$ 207,245	$ 4,605,021	$ (344)	$ 250,442	$ 171,741	
S.A.F.E.R. Fire Retention Grant	97.083	Grant No. EMW-2012-FH-00402	07/01/12	02/28/15	$ 7,058,340	3,187,813	6,387,629	-	82,480	3,426,491	-	-	3,043,618	$ 4,014,722
Blue Acres Grant	97.*	N/A	07/01/11	06/30/12	5,773,115	-	5,722,656	22,890	-	80,551	-	372,336	5,292,659	108,120
Hurricane Sandy Aid	97.036	066-1200-100-A92	N/A	N/A	525,000	392,351	-	-	-	-	-	-	-	525,000
Total Department of Homeland Security						$ 8,445,751	$ 12,156,100	$ 4,797,378	$ 289,725	$ 8,112,063	$ (344)	$ 622,778	$ 8,508,018	
Department of Health and Human Services														
Ryan White HIV Emergency Relief	93.914	N/A	03/01/13	02/28/14	$ 3,429,223	$ 3,279,423	$ 769,247	$ 164,548	$ 2,063,870	$ 2,996,041	$ (1,624)	$ -	$ -	$ 3,427,599
Ryan White HIV Emergency Relief Project	93.914	N/A	03/01/14	02/28/15	1,017,879	495,200	-	-	1,017,879	475,863	-	93,304	448,712	475,863
Minority Aids Initiative Program	93.914	N/A	03/01/13	02/28/14	325,655	-	109,221	-	174,476	283,382	(315)	-	-	325,340
Minority Aids Initiative Program	93.914	N/A	03/01/14	02/28/15	93,463	-	-	-	93,463	20,676	-	-	72,787	20,676
Total CFDA 93.914						3,774,623	878,468	164,548	3,349,688	3,775,962	(1,939)	93,304	521,499	
Passed through NJ Department of Health														
Childhood Lead Poisoning	93.994	66-4220-100-156	01/01/13	12/31/13	230,846	54,431	4,608	2,571	-	7,179	-	-	-	230,846
Child Health 2014	93.994	Grant Award No. DFHS14CHD001	07/01/13	06/30/14	230,846	164,214	-	-	230,846	218,518	-	7,670	4,658	218,518
Total CFDA 93.994						218,645	4,608	2,571	230,846	225,697	-	7,670	4,658	
Passed through County of Passaic Department of Senior Services, Disability and Veterans Affairs														
Senior Citizen/Disabled Transportation Program 2012	93.044	8060-491-084520-50	01/01/11	12/31/11	282,000	-	34,683	-	-	(11,275)	(45,958)	-	-	236,042
Senior Citizen/Disabled Transportation Program 2013	93.044	8060-491-084520-50	01/01/12	12/31/12	282,000	-	-	-	-	(3,033)	(3,033)	-	-	278,967
Senior Citizen/Disabled Transportation Program 2011	93.044	8060-491-084520-50	01/01/13	12/31/13	222,000	218,018	93,909	618	-	94,527	-	-	-	222,000
Senior Citizen & Disabled Transportation Assistance (1)	93.044	*	01/01/14	12/31/14	222,000	-	-	-	222,000	73,781	-	148	148,071	73,781
Total CFDA 93.044						218,018	128,592	618	222,000	154,000	(48,991)	148	148,071	
Passed through NJ Department of Health														
Tuberculosis Control Grant	93.116	100-046-4230-100-146	07/01/12	06/30/13	103,754	77,793	49,258	3,075	-	52,333	-	-	-	103,754
Tuberculosis Clinical, Nursing Case Mgmt. and Outreach Services	93.116	Grant No. EPID14TAC001	01/01/15	12/31/15	97,254	21,295	-	-	97,254	46,966	-	1,410	48,878	46,966
Tuberculosis Control	93.116	Grant Award No. EPID14TBS001	07/01/13	06/30/14	208,700	151,704	-	-	208,700	206,021	-	956	1,723	206,021
Tuberculosis Control 2013	93.116	100-046-4230-080	07/01/12	06/30/13	208,700	49,530	949	380	-	1,329	-	-	-	208,700
Sexually Transmitted Disease (STD) 2014	93.116	100-046-4782-101-6120	07/01/12	06/30/13	92,040	66,354	16,917	220	-	17,137	-	-	-	92,040
Sexually Transmitted Disease Control 2013	93.116	Grant Award No. EPID14STD003	07/01/13	06/30/14	88,535	38,508	-	-	88,535	88,108	-	48	379	88,108
Total CFDA 93.116						405,184	67,124	3,675	394,489	411,894	-	2,414	50,980	
HIV Counseling, Testing and Referral	93.917	046-4245-100-056	10/01/12	09/30/13	243,400	59,345	65,780	8,037	-	9,313	(64,504)	-	-	178,896
HIV/AIDS Counseling and Testing/Notification Assistance Program	93.917	046-4245-100-056	07/01/12	06/30/13	243,400	104,233	-	-	243,400	220,953	-	18,278	4,169	220,953
Total CFDA 93.917						163,578	65,780	8,037	243,400	230,266	(64,504)	18,278	4,169	

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

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

Federal Department and Program	Federal CFDA Number	State Account Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance: June 30, 2013 Reserved	Balance: June 30, 2013 Encumbered	Current Year Appropriations	Paid or Charged	Cancellations Program Income/ Transfers	Balance: June 30, 2014 Encumbered	Balance: June 30, 2014 Reserved	Cumulative Expenditures
Department of Health and Human Services (continued)														
Subtotal Department of Health and Human Services						$ 4,780,048	$ 1,144,572	$ 179,449	$ 4,440,423	$ 4,797,819	$ (115,434)	$ 121,814	$ 729,377	
Special Projects of National Significance	93.928	N/A	09/01/12	08/30/13	$ 80,000	20,500	3,000	17,500	-	20,500	-	-	-	$ 80,000
Passed through National Association of County and City Health Officials														
Medical Reserve Corps Grant	93.008	Grant # 5 MRCCSG101005-04-00	*	*	3,500	3,500	-	-	3,500	-	-	-	3,500	-
Total Department of Health and Human Services						$ 4,804,048	$ 1,147,572	$ 196,949	$ 4,443,923	$ 4,818,319	$ (115,434)	$ 121,814	$ 732,877	
Department of Transportation														
Highway Planning and Construction Cluster														
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	20.205	6320-480-078-6320	03/29/09	06/30/10	250,257	-	6,159	-	-	-	-	-	6,159	244,098
2012 Road Resurfacing	20.205	6320-480-078-6320	07/01/11	06/30/12	489,700	489,700	489,700	-	-	489,700	-	-	-	489,700
Road Resurfacing	20.205	6320-480-078-6320	07/01/10	06/30/11	509,860	104,239	19,384	-	-	(22,271)	-	-	41,655	468,205
Road Resurfacing	20.205	6320-480-078-6320	05/26/09	07/23/10	190,000	-	1,110	-	-	-	(1)	-	1,109	188,890
2013 Road Resurfacing	20.205	6320-480-078-6320	*	*	563,650	-	-	-	563,650	-	-	-	563,650	-
Spruce Street McBride Avenue Intersection	20.205	078-6320-480	07/01/00	06/30/01	200,000	24,001	172,397	3,169	-	-	-	2,170	173,396	24,434
Total Highway Planning and Construction Cluster						617,940	891,299	3,169	563,650	467,429	(1)	2,170	988,518	
Passed through NJ Transportation Panning Authority / NJIT-Rutgers office of Research and Sponsored Programs														
HUD Sustainable Community Planning Grant - North Jersey Sustainable Community Program Administration	20.*	*	*	*	$ 10,000	$ -	$ -	$ -	$ 10,000	$ 15	$ -	$ -	$ 9,985	$ 15
Total Department of Transportation						$ 617,940	$ 891,299	$ 3,169	$ 573,650	$ 467,444	$ (1)	$ 2,170	$ 998,503	
Department of Housing and Urban Development														
Neighborhood Stabilization	14.264	N/A	07/01/11	06/30/12	$ 1,196,877	$ 494,031	$ 904,962	$ -	$ -	$ 494,031	$ -	$ -	$ 410,931	$ 785,946
Total CFDA 14.264						494,031	904,962	-	-	494,031	-	-	410,931	
Emergency Shelter Grant	14.231	N/A	07/01/00	06/30/01	117,000	-	13,493	-	-	-	-	-	13,493	103,507
Emergency Shelter Grant	14.231	N/A	07/01/01	06/30/02	118,000	-	7,789	-	-	-	-	-	7,789	110,211
Emergency Shelter Grant	14.231	N/A	07/01/03	06/30/04	121,000	-	22	-	-	-	-	-	22	120,978
Emergency Shelter Grant	14.231	N/A	07/01/06	06/30/07	126,788	-	2,501	-	-	-	-	-	2,501	124,287
Emergency Shelter Grant	14.231	N/A	07/01/09	06/30/10	126,944	-	21,607	-	-	-	-	-	21,607	105,337
Emergency Shelter Grant	14.231	N/A	07/01/10	06/30/11	128,592	-	15,272	-	-	-	-	-	15,272	113,320
Emergency Shelter Grant	14.231	N/A	07/01/11	06/30/12	129,776	5,000	13,250	-	-	5,000	-	-	8,250	121,526
Emergency Shelter Grant	14.231	N/A	07/01/12	06/30/13	232,425	122,867	178,710	-	-	122,867	-	-	55,843	176,582
Emergency Shelter Grant	14.231	N/A	07/01/12	06/30/13	176,259	72,148	-	-	176,259	72,148	-	-	104,111	72,148
Total CFDA 14.231						200,015	252,644	-	176,259	200,015	-	-	228,888	

Department of Housing and Urban Development (continued)

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

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

Federal Department and Program	Federal CFDA Number	State Account Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance: June 30, 2013 Reserved	Balance: June 30, 2013 Encumbered	Current Year Appropriations	Paid or Charged	Cancellations Program Income/ Transfers	Balance: June 30, 2014 Encumbered	Balance: June 30, 2014 Reserved	Cumulative Expenditures
Department of Housing and Urban Development (continued)														
HOME Investment Partnership Program	14.239	N/A	07/01/99	06/30/00	$ 1,642,000	$ -	$ 1,195,560	$ -	$ -	$ -	$ (1,195,560)	$ -	$ -	$ 446,440
HOME Investment Partnership Program	14.239	N/A	07/01/00	06/30/01	1,645,000	-	41,010	-	-	-	(41,010)	-	-	1,603,990
HOME Investment Partnership Program	14.239	N/A	07/01/01	06/30/02	1,827,000	-	66,971	-	-	-	(66,971)	-	-	1,760,029
HOME Investment Partnership Program	14.239	N/A	07/01/02	06/30/03	1,824,000	-	372,199	-	-	-	(372,199)	-	-	1,451,801
HOME Investment Partnership Program	14.239	N/A	07/01/03	06/30/04	2,042,680	-	536,329	-	-	-	(398,542)	-	137,787	1,506,351
HOME Investment Partnership Program	14.239	N/A	07/01/04	06/30/05	2,263,640	-	1,127,462	-	-	237,357	(582,599)	-	307,506	1,373,535
HOME Investment Partnership Program	14.239	N/A	07/01/05	06/30/06	2,097,762	-	1,438,319	-	-	214,695	(140,323)	-	1,083,301	874,138
HOME Investment Partnership Program	14.239	N/A	07/01/06	06/30/07	641,460	-	289,909	-	-	-	-	-	289,909	351,551
HOME Investment Partnership Program	14.239	N/A	07/01/07	06/30/08	1,836,703	55,110	418,661	-	-	-	-	-	418,661	1,418,042
HOME Investment Partnership Program	14.239	N/A	07/01/08	06/30/09	1,770,553	263,111	374,777	-	-	265,583	-	-	109,194	1,661,359
HOME Investment Partnership Program	14.239	N/A	07/01/09	06/30/10	1,662,102	410,988	1,002,781	-	-	498,396	1,660	-	506,045	1,157,717
HOME Investment Partnership Program	14.239	N/A	07/01/10	06/30/11	1,651,083	336,381	605,420	-	-	335,494	-	-	269,926	1,381,157
HOME Investment Partnership Program	14.239	N/A	07/01/11	06/30/12	1,423,581	172,792	926,600	-	-	127,373	5,200	-	804,427	624,354
HOME Investment Partnership Program	14.239	N/A	07/01/12	06/30/13	1,161,788	330,021	990,350	-	-	218,314	-	-	772,036	389,752
HOME Investment Partnership Program	14.239	N/A	07/01/13	06/30/14	1,060,232	175,920	-	-	1,060,232	203,703	21,572	-	878,101	203,703
Total CFDA 14.239						1,744,323	9,386,348	-	1,060,232	2,100,915	(2,768,772)	-	5,576,893	
Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/02	06/30/03	$ 1,160,000	$ -	$ 19,012	$ -	$ -	$ -	$ -	$ -	$ 19,012	$ 1,140,988
Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/03	06/30/04	1,060,232	-	237,918	-	-	-	-	-	237,918	822,314
Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/04	06/30/05	1,252,000	-	50,383	-	-	-	-	-	50,383	1,201,617
Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/05	06/30/06	1,333,000	-	20,218	-	-	-	-	-	20,218	1,312,782
Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/06	06/30/07	1,282,000	-	-	-	-	-	-	-	-	1,282,000
Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/07	06/30/08	1,250,000	-	-	-	-	-	-	-	-	1,250,000
Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/08	06/30/09	1,286,736	-	-	-	-	-	-	-	-	1,286,736
Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/09	06/30/10	1,301,766	120,704	-	-	-	-	-	-	-	1,301,766
Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/10	06/30/11	1,404,206	-	120,704	-	-	120,704	-	-	-	1,404,206
Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/11	06/30/12	1,381,032	252,259	375,891	-	-	252,585	(10,243)	-	113,063	1,257,726
Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/12	06/30/13	1,380,000	891,091	1,380,000	-	-	927,479	-	-	452,521	927,479
Housing Opportunities for Persons with AIDS	14.241	N/A	07/01/13	06/30/14	1,294,558	46,957	-	-	1,294,558	-	-	-	1,294,558	
Total CFDA 14.241						1,311,011	2,204,126	-	1,294,558	1,300,768	(10,243)	-	2,187,673	
CDBG - Entitlement Grants Cluster														
Community Development Block Grant	14.218	N/A	07/01/00	06/30/01	3,359,000	-	845	-	-	-	-	-	845	3,358,155
Community Development Block Grant	14.218	N/A	07/01/05	06/30/06	3,389,479	-	600	-	-	-	-	-	600	3,388,879
Community Development Block Grant	14.218	N/A	07/01/06	06/30/07	3,303,484	-	2,711	-	-	-	-	-	2,711	3,300,773
Community Development Block Grant	14.218	N/A	07/01/07	06/30/08	2,937,671	-	292,211	-	-	-	-	-	292,211	2,645,460
Community Development Block Grant	14.218	N/A	07/01/08	06/30/09	2,851,175	1,660	94,578	-	-	-	(1,660)	-	92,918	2,756,597
Community Development Block Grant -	14.253	N/A	07/01/09	06/30/10	773,878	-	225,789	-	-	-	(225,789)	-	-	548,089
Community Development Block Grant	14.218	N/A	07/01/09	06/30/10	2,934,402	-	258,713	-	-	-	-	-	258,713	2,675,689
Community Development Block Grant	14.218	N/A	07/01/10	06/30/11	2,754,854	60,794	261,611	-	-	62,134	5,590	-	205,067	2,555,377
Community Development Block Grant	14.218	N/A	07/01/11	06/30/12	2,683,971	440,944	1,090,709	-	-	440,744	12,329	-	662,294	2,034,006
Community Development Block Grant	14.218	N/A	07/01/12	06/30/13	2,855,480	737,960	1,382,037	-	-	762,094	(17,186)	-	602,757	2,235,537
Community Development Block Grant	14.218	N/A	07/01/13	06/30/14	2,816,168	1,209,069	-	-	2,816,168	1,294,560	92,221	-	1,613,829	1,294,560
Direct Award Total						2,450,427	3,609,804	-	2,816,168	2,559,532	(134,495)	-	3,731,945	
Wayfinding Signage	14.218	N/A	07/01/13	*	197,726	-	-	-	197,726	600	-	-	197,126	600
Passed through County of Passaic														
CDBG-R Disaster Recovery Fuds	14.253	*	*	*	2,075,000	-	-	-	2,075,000	-	-	-	2,075,000	-
Total CDBG - Entitlement Grants Cluster						2,450,427	3,609,804	-	5,088,894	2,560,132	(134,495)	-	6,004,071	
Section 8														
Housing Assistance	14.871	*	*	*	*	-	-	-	-	1,500	1,500	-	-	*
Earned Administration Balances	14.871	*	*	*	*	-	-	-	-	6,020	501,608	-	495,588	*
Restricted Annual Contribution	14.871	*	*	*	*	-	-	-	-	114,912	114,912	-	-	*
						-	-	-	-	122,432	618,020	-	495,588	
Total Department of Housing and Urban Development						$ 6,199,807	$ 16,357,884	$ -	$ 7,619,943	$ 6,778,293	$ (2,295,490)	$ -	$ 14,904,044	

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

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

Federal Department and Program	Federal CFDA Number	State Account Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance: June 30, 2013 Reserved	Balance: June 30, 2013 Encumbered	Current Year Appropriations	Paid or Charged	Cancellations Program Income/ Transfers	Balance: June 30, 2014 Encumbered	Balance: June 30, 2014 Reserved	Cumulative Expenditures
Energy Efficiency and Renewal	81.117	N/A	10/14/09	10/13/12	$ 1,344,800	$ -	$ 994,254	$ 47,813	$ -	$ 12,120	$ -	$ 57,205	$ 972,742	$ 314,853
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	$ -	$ 434,238	$ -	$ -	$ 256,830	$ 1	$ -	$ 177,409	$ 10,764,592
Phase II	66.458	N/A	01/27/04	Completion	6,538,000	-	1,081,737	-	-	447,535	-	-	634,202	5,903,798
Phase III	66.458	N/A	Various	Completion	21,919,000	-	7,400,195	-	-	-	-	-	7,400,195	14,518,805
Total Department of Environmental Protection and CFDA 66.458						-	8,916,170	-	-	704,365	1	-	8,211,806	
TOTAL FEDERAL AWARDS						$ 21,178,851	$ 41,445,621	$ 5,225,043	$ 14,734,842	$ 21,868,101	$ (2,411,268)	$ 1,432,432	$ 35,693,705	

* - Information not available

See Accompanying Notes to 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, 2014

State Department and Program	State Account Number/ Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance: June 30, 2013 Reserved	Balance: June 30, 2013 Encumbered	Current Year Appropriations	Paid or Charged	Program Income/ Transfers	Balance: June 30, 2014 Encumbered	Balance: June 30, 2014 Reserved	Cumulative Expenditures
Department of Community Affairs													
Recreational Opportunities for Individuals with Disabilities	100-022-8050-035-051570	07/01/12	06/30/13	$ 13,000	$ 13,000	$ 13,000	$ -	$ -	$ 13,000	$ -	$ -	$ -	$ 13,000
Total Department of Community Affairs					$ 13,000	$ 13,000	$ -	$ -	$ 13,000	$ -	$ -	$ -	
NJ Governor's Council on Alcohol and Drug Abuse (GCADA)													
Passed through the County of Passaic													
Municipal Alliance	*	07/01/12	06/30/13	$ 39,680	$ 32,269	$ 39,680	$ -	$ 19,840	$ 42,497	$ -	$ 16,788	$ 235	$ 22,657
Municipal Alliance	*	07/01/10	06/30/11	42,000	-	9,818	45	-	9,863	-	-	-	42,000
Total Municipal Alliance and NJ Governor's Council on Alcohol and Drug Abuse (GCADA)					$ 32,269	$ 49,498	$ 45	$ 19,840	$ 52,360	$ -	$ 16,788	$ 235	
Department of Law and Public Safety													
Body Armor Replacement Fund	66-1020-718-001	07/01/12	06/30/13	33,600	-	33,600	-	-	16,632	-	16,968	-	16,632
Body Armor Replacement Fund	1020-718-066-1020-001-YCJF-6120	*	*	41,714	41,714	-	-	41,714	-	-	41,714	-	-
Body Armor Replacement Fund	66-1020-718-001	07/01/11	06/30/12	31,516	-	-	31,516	-	31,516	-	-	-	31,516
Total Body Armor Replacement Fund					41,714	33,600	31,516	41,714	48,148	-	58,682	-	
Passaic County Youth Services Commission													
Evening Reporting Program 2009	100-066-1500-168	07/01/09	06/30/10	124,650	-	68,606	-	-	-	-	-	68,606	56,044
Evening Reporting Program 2010	100-066-1500-168	07/01/08	06/30/09	124,527	-	99,627	386	-	-	-	-	100,013	24,514
Evening Reporting Program 2011	*	07/01/11	06/30/12	106,830	-	905	-	-	-	-	-	905	105,925
Evening Reporting Program 2012	100-066-1500-168	07/01/11	06/30/12	116,830	9,999	4,280	4,707	-	4,606	-	-	4,381	112,449
Evening Reporting Program 2013	100-066-1500-168	07/01/12	06/30/13	106,830	99,896	79,486	-	-	71,872	-	100	7,514	99,216
Evening Reporting Program 2014	*	01/01/14	12/31/14	105,975	-	-	-	105,975	11,993	-	-	93,982	11,993
Total Passaic County Youth Services Commission Evening Reporting					109,895	252,904	5,093	105,975	88,471	-	100	275,401	
Subtotal Department of Law and Public Safety					151,609	286,504	36,609	147,689	136,619	-	58,782	275,401	
Operation Cease Fire	*	07/01/10	06/30/11	15,000	-	15,000	-	-	-	-	-	15,000	-
DWI Drunk Driving Enforcement Fund	6400-100-78-64000-YYYY	07/01/12	06/30/13	9,321	-	7,578	-	-	7,578	-	-	-	9,321
Safe and Secure Communities Program	66-1020-107-090940	03/22/13	03/21/14	66,521	66,521	-	-	66,521	66,521	-	-	-	66,521
Total Department of Law and Public Safety					$ 218,130	$ 309,082	$ 36,609	$ 214,210	$ 210,718	$ -	$ 58,782	$ 290,401	
Department of Children and Families													
** School Based Youth Services Program	100-054-7500-068	07/01/12	06/30/13	$ 309,490	$ -	$ 32,971	$ 4,957	$ -	$ 37,891	$ (37)	$ -	$ -	$ 309,453
** School Based Youth Services Program	14AVRP	07/01/13	06/30/14	304,690	304,690	-	-	304,690	268,062	-	1,136	35,492	268,062
Total School Based Youth Services Program					304,690	32,971	4,957	304,690	305,953	(37)	1,136	35,492	
Teen Parenting Program	100-054-7570-419-LLLL-6130	07/01/12	06/30/13	81,169	-	-	20,292	-	20,292	-	-	-	81,169
Parent Linking Program	14AVRP / APU: 1630-063	07/01/13	06/30/14	132,716	132,679	-	-	132,716	5,770	-	126,946	-	5,770
Total Teen Parenting Program					132,679	-	20,292	132,716	26,062	-	126,946	-	
Department of Children and Families													
Passed Through Passaic County Youth Services Commission													
Lifestyle Support Program	100-54-7570-280-LLLL-6130	01/01/13	12/31/13	$ 87,663	$ -	$ 32,930	$ -	$ -	$ 32,930	$ -	$ -	$ -	$ 87,663
Lifestyle Support Program	100-54-7570-280-LLLL-6130	01/01/11	12/31/11	87,633	81,044	46,561	-	-	-	-	-	46,561	41,072
Total Lifestyle and Support Program	*	01/01/14	12/31/14	82,633	-	-	-	82,633	2,982	-	-	79,651	2,982
Total Lifestyle Support Program Additional Fundi	100-54-7570-280-LLLL-6130	01/01/13	12/31/14	98,222	65,483	98,222	-	-	98,222	-	-	-	98,222
Total Lifestyle Support Program Additional Fundi	100-54-7570-280-LLLL-6130	01/01/12	12/31/12	49,111	-	22,731	-	-	-	-	-	22,731	26,380
Total Lifestyle and Support Program Grants					146,527	200,444	-	82,633	134,134	-	-	148,943	
Total Department of Children and Families					$ 583,896	$ 233,415	$ 25,249	$ 520,039	$ 466,149	$ (37)	$ 128,082	$ 184,435	

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

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

State Department and Program	State Account Number/ Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance: June 30, 2013 Reserved	Balance: June 30, 2013 Encumbered	Current Year Appropriations	Paid or Charged	Program Income/ Transfers	Balance: June 30, 2014 Encumbered	Balance: June 30, 2014 Reserved	Cumulative Expenditures
Department of State													
NJ Historical Commission													
Deleware-Lenape Culture Permanent Exhibit of the Paterson Museum	*	7/1/2012	06/30/13	$ 1,200	$ 960	$ -	$ -	$ 1,200	$ -	$ -	$ -	$ 1,200	$ -
NJ State Council on the Arts - Partner Agency of the National Endowment for the Arts													
Quarterly Visual Art Exhibition Series	*	1/1/2012	12/31/12	1,600	1,600	-	-	1,600	-	-	-	1,600	-
Public Archives & Records Infrastructure Support Grant (PARIS) 2006	*	*	*	*	-	-	12,629	-	-	-	-	12,629	*
Public Archives & Records Infrastructure Support Grant (PARIS) 2007	*	*	*	*	-	-	29,377	-	-	-	29,377	-	*
Passed Through Passaic County Cultural and Heritage Council													
Museum Grant	100-074-2530-032	07/01/05	06/30/06	1,000	-	335	-	-	-	-	-	335	665
Museum Council -2009	100-074-2530-032	07/01/10	06/30/11	1,000	-	131	-	-	-	-	-	131	869
Art Grant	100-074-2530-032	07/01/10	06/30/11	330	-	330	-	-	-	-	-	330	-
Exhibit Freedom Boulevard Gate	100-074-2530-032	07/01/10	06/30/11	440	-	440	-	-	-	-	-	440	-
Total Department of State					$ 2,560	$ 1,236	$ 42,006	$ 2,800	$ -	$ -	$ 29,377	$ 16,665	
Department of Health and Senior Services													
Passed through County of Passaic													
Bioterrorism Preparedness	4230-100-350-2009	09/01/12	08/31/13	$ 232,000	$ 80,300	$ 5,116	$ 21,779	$ -	$ 26,895	$ -	$ -	$ -	$ 232,000
Bioterrorism Preparedness 2013	4230-100-350-2009	07/01/13	06/30/14	218,398	156,656	-	-	218,398	211,432	-	4,006	2,960	211,432
Total Bioterrorism Preparedness Grant and Department of Health and Human Services					$ 236,956	$ 5,116	$ 21,779	$ 218,398	$ 238,327	$ -	$ 4,006	$ 2,960	
Department of Human / Youth Services													
Passed Through County of Passaic Youth Services Commission													
Paterson Station House Adjustment Component													
Station House Adjustment Program	*	07/01/12	06/30/13	$ 32,309	$ -	$ 1,288	$ -	$ -	$ -	$ (1,288)	$ -	$ -	$ 31,021
Station House Adjustment Program	JABG-13 (FY2014)	01/01/14	12/31/14	18,869	12,000	-	-	18,869	-	-	-	18,869	-
Station House Adjustment Program	*	03/05/14	03/31/14	10,000	10,000	-	-	10,000	10,000	-	-	-	10,000
Station House Adjustment Program	JABG-12 (FY2013)	07/01/11	06/30/12	19,021	19,021	-	-	19,021	18,996	-	-	25	18,996
Total Station House Adjustment Program and epartment of Human / Youth Services					$ 41,021	$ 1,288	$ -	$ 47,890	$ 28,996	$ (1,288)	$ -	$ 18,894	
Economic Development Authority - Hazardous Discharge Site Remediation													
Process Discharge Site:													
Cliff Street/Belmont Apartments	*	*	*	*	$ -	$ -	$ 20,263	$ -	$ -	$ -	$ 20,263	$ -	*
36-40 Straight Street	*	*	*	*	-	-	2,740	-	-	-	2,740	-	*
533-539 Totowa Salvatore Site	*	*	*	*	-	-	24,035	-	-	-	24,035	-	*
Passaic Falls Overlook Park	*	*	*	*	-	-	41,290	-	-	-	41,290	-	*
Riverwalk	*	07/01/08	06/30/09	575,723	-	-	93,186	-	26,894	-	66,292	-	$ 509,431
Apollo Dye House	*	07/01/07	06/30/08	3,130,891	110,876	-	29,349	-	140,225	110,876	-	-	3,241,767
Addy Mill	*	07/01/07	06/30/08	102,857	-	30,432	59,669	-	6,652	-	83,449	-	19,408
ATP	*	*	*	*	-	-	90,896	-	-	-	90,896	-	*
ATP	*	*	*	*	-	500	-	-	-	-	-	500	*
Historic Industrial Mill Building Survey	*	10/01/09	09/30/11	16,000	-	97	-	-	-	(97)	-	-	15,903
Columbia Textiles Phase II	*	07/01/08	06/30/09	472,120	-	200	-	-	-	-	-	200	471,920
Columbia Textiles Phase III	*	07/01/08	06/30/09	168,142	-	82,671	56,581	-	8,703	-	130,549	-	37,593
Total Process Discharge Site					$ 110,876	$ 113,900	$ 418,009	$ -	$ 182,474	$ 110,779	$ 459,514	$ 700	

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

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

State Department and Program	State Account Number/ Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance: June 30, 2013 Reserved	Balance: June 30, 2013 Encumbered	Current Year Appropriations	Paid or Charged	Program Income/ Transfers	Balance: June 30, 2014 Encumbered	Balance: June 30, 2014 Reserved	Cumulative Expenditures
Department of Environmental Protection													
Recycling Tonnage Grant	752-42-4900-1-V42Y-6020	07/01/12	06/30/13	$ 238,701	$ -	$ 238,701	$ -	$ -	$ 111,917	$ -	$ 13,611	$ 113,173	$ 111,917
Recycling Tonnage Grant	752-42-4900-1-V42Y-6020	07/01/11	06/30/12	151,802	-	139,852	3,188	-	143,040	-	-	-	151,802
Recycling Tonnage Grant	752-42-4900-1-V42Y-6020	07/01/10	06/30/11	117,434	-	48,669	8,980	-	57,649	-	-	-	117,434
Recycling Tonnage Grant	042-4900-752	07/01/08	06/30/09	222,858	222,858	-	-	222,858	-	-	-	222,858	-
Recycling Tonnage Grant	752-42-4900-1-V42Y-6020	07/01/05	06/30/06	99,032	-	2,657	-	-	2,657	-	-	-	99,032
Total Recycling Tonnage Grant					222,858	429,879	12,168	222,858	315,263	-	13,611	336,031	
Clean Communities	765-042-4900-004-V42Y-6022	07/01/12	06/30/13	169,792	-	169,792	-	-	168,584	-	733	475	168,584
Clean Communities	765-042-4900-004-V42Y-6022	07/01/11	06/30/12	144,617	-	-	3,792	-	3,792	-	-	-	144,617
Clean Communities	765-042-4900-004-V42Y-6022	07/01/09	06/30/10	155,594	-	-	15,751	-	15,751	-	-	-	155,594
Clean Communities	765-042-4900-004-V42Y-6022	*	*	159,203	159,203	-	-	159,203	-	-	-	159,203	-
Total Clean Communities					159,203	169,792	19,543	159,203	188,127	-	733	159,678	
Green Acres Trust Local Programs:													
Various Park Improvements - Loan	4800-545-002-10	10/25/05	Completion	1,585,363	-	778,330	-	348,000	855	-	-	1,125,475	459,888
Various Park Improvements - Grant	4800-545-004-10	10/25/05	Completion	1,585,363	-	778,330	-	348,000	855	-	-	1,125,475	459,888
Restoration and Revitalization of Pennington Park - Loan	042-4800	12/22/08	12/22/10	1,888,627	1,314,956	1,583,934	-	-	1,418,118	-	-	165,816	1,722,811
Restoration and Revitalization of Pennington Park - Grant	4800-006-V22G-6020	12/22/08	12/22/10	1,888,627	-	1,583,933	-	-	1,418,118	-	-	165,815	1,722,812
ATP Site/Haines Overlook Park Riverwalk Extension -Loan	4800-566-042	11/02/08	Completion	783,665	-	783,665	-	-	-	-	-	783,665	-
ATP Site/Haines Overlook Park Riverwalk Extension -Grant	4800-566-042	11/02/08	Completion	1,283,665	-	1,283,665	-	-	-	-	-	1,283,665	-
Total Green Acres Trust Local Programs					1,314,956	6,791,857	-	696,000	2,837,946	-	-	4,649,911	
Subtotal Department of Environmental Protection					1,697,017	7,391,528	31,711	1,078,061	3,341,336	-	14,344	5,145,620	
Municipal Storm Water Regulation Program	4900-100-042-4840-091	07/01/05	06/30/06	538	-	538	-	-	-	-	-	538	-
Environmental Infrastructure Trust Loan - Phase III	4860-510-041-10	11/10/05	Completion	10,486,570	-	10,486,570	-	-	-	-	-	10,486,570	-
Total Department of Environmental Protection					$ 1,697,017	$ 17,878,636	$ 31,711	$ 1,078,061	$ 3,341,336	$ -	$ 14,344	$ 15,632,728	
Department of Commerce & Economic Development													
Urban Enterprise Zone -													
Main Street Improvement Program - Phase I	2830-763-20-2830-32-EEEE	07/01/08	06/30/09	$ 674,180	$ -	$ 48,431	$ -	$ -	$ -	$ -	$ -	$ 48,431	$ 625,749
Business Improvement - Phase II	2830-763-20-2830-32-EEEE	07/01/08	06/30/09	500,000	-	2,198	-	-	-	-	-	2,198	497,802
Marketing and Business Development Program Phase II	2830-763-20-2830-32-EEEE	07/01/05	06/30/06	750,000	11,537	86,026	-	-	11,537	-	-	74,489	675,511
Streetscape Planters Project	2830-763-20-2830-32-EEEE	07/01/09	06/30/10	85,000	-	9,035	-	-	-	-	-	9,035	75,965
Video Surveillance Project	2830-763-20-2830-32-EEEE	07/01/10	06/30/11	1,500,000	234,343	760	329,834	-	329,834	(760)	-	-	1,499,240
Passed through Paterson Restoration Corp.													-
Administration	2830-763-20-2830-32-EEEE	07/01/12	06/30/13	340,100	47,785	177,315	8,059	-	26,981	(158,393)	-	-	181,707
Administration	2830-763-20-2830-32-EEEE	07/01/11	06/30/12	540,000	-	2,630	-	-	2,630	-	-	-	540,000
Administration	2830-763-20-2830-32-EEEE	07/01/13	06/30/14	198,800	75,557	-	-	198,800	175,397	-	1,751	21,652	175,397
Small Business Development Center Year 14	2830-763-20-2830-32-EEEE	07/01/12	06/30/13	100,000	-	-	-	-	(970)	(970)	-	-	99,030
Small Business Development Center Year 13	2830-763-20-2830-32-EEEE	07/01/13	06/30/14	130,000	35,400	-	36,371	-	36,371	-	-	-	130,000
William Paterson University Small Business Development Center Year 15	2830-763-20-2830-32-EEEE	07/01/13	06/30/14	50,000	13,135	-	-	50,000	19,523	-	30,477	-	19,523
UEZ - Clean Communities Project	2830-763-20-2830-32-EEEE	07/01/11	06/30/12	350,000	97,329	210,055	65,952	-	131,319	-	583	144,105	205,312
Total Department of Commerce & Economic Development					$ 515,086	$ 536,450	$ 440,216	$ 248,800	$ 732,622	$ (160,123)	$ 32,811	$ 299,910	

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

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

State Department and Program	State Account Number/ Grant Number	Grant Period From	Grant Period To	Grant Award	Funds Received	Balance: June 30, 2013 Reserved	Balance: June 30, 2013 Encumbered	Current Year Appropriations	Paid or Charged	Program Income/ Transfers	Balance: June 30, 2014 Encumbered	Balance: June 30, 2014 Reserved	Cumulative Expenditures
State of New Jersey Historic Trust													
Hinchliffe Stadium Grant	*	07/01/12	06/30/13	$ 500,000	$ -	$ 500,000	$ -	$ -	$ -	$ -	$ -	$ 500,000	$ -
Total State of New Jersey Historic Trust					$ -	$ 500,000	$ -	$ -	$ -	$ -	$ -	$ 500,000	
Highlands Water Protection and Planning Council													
Transfer of Development Rights Feasibility Grant Program	100-082-2078-033	*	*	$ 50,000	$ -	$ -	$ -	$ 50,000	$ -	$ -	$ -	$ 50,000	$ -
Total Highlands Water Protection and Planning Council					$ -	$ -	$ -	$ 50,000	$ -	$ -	$ -	$ 50,000	
Department of Judiciary													
Alcohol Education Rehabiliation Enforcement Fund / Alcohol Education Rehab Fund DWI	9735-760-098-Y900-001-X100-6020	*	*	$ 422	$ -	$ -	$ -	$ 422	$ -	$ -	$ -	422	$ -
Alcohol Education and Rehabilitation	760-046-4240-001	07/01/11	06/30/12	3,182	-	3,182	-	-	1,938	-	-	1,244	1,938
Alcohol Education and Rehabilitation	760-046-4240-001	07/01/10	06/30/11	4,474	-	4,474	-	-	4,474	-	-	-	4,474
Alcohol Education and Rehabilitation	760-046-4240-001	07/01/06	06/30/07	3,537	-	3,287	-	-	3,287	-	-	-	3,537
Total Department of Judiciary					$ -	$ 10,943	$ -	$ 422	$ 9,699	$ -	$ -	$ 1,666	
Total State Financial Assistance					$ 3,450,811	$ 19,652,564	$ 1,015,624	$ 2,400,460	$ 5,275,681	$ (50,669)	$ 743,704	$ 16,998,594	

* - Information not available

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, 2014

Program	Grant Period From	Grant Period To	Award	Funds Received	Balance: June 30, 2013 Reserved	Balance: June 30, 2013 Encumbered	Current Year Appropriations	Paid or Charged	Program Income/ Transfers	Balance: June 30, 2014 Encumbered	Balance: June 30, 2014 Reserved	Cumulative Expenditures
Other Grants												
Downtown Commercial Historic District Grant	*	*	$ 24,000	$ -	$ -	$ 24,000	$ -	$ 24,000	$ -	$ -	$ -	$ 24,000
Anita Tank Spay and Neuter Program	04/01/02	05/30/13	9,656	-	-	4,956	-	4,900	-	56	-	9,600
Donations Mineral Display	07/01/12	06/30/13	2,000	-	2,000	-	-	-	-	-	2,000	-
Greater Paterson Chamber Foundation Victor Cruz Celebration	07/01/11	06/30/12	16,285	-	5,706	-	-	5,706	-	-	-	16,285
First Ward Library Renovation Insurance Grant	07/01/11	06/30/12	326,413	-	256,710	1,053	-	9,885	-	-	247,878	78,535
Community Foundation of NJ Give & Receive Summer Program	07/01/12	06/30/13	20,000	-	133	-	-	-	-	-	133	19,867
Community Foundation of NJ Give & Receive Summer Program	07/01/11	06/30/12	20,000	-	7,529	-	-	7,529	-	-	-	20,000
Silk City Woman's Club Museum Grant	07/01/11	06/30/12	1,000	-	1,000	-	-	-	-	-	1,000	-
Hannah Family Memorial Grant	07/01/07	06/30/08	2,000	-	1,436	-	-	-	-	-	1,436	564
Museum Brochure Grant- Donald Baer	07/01/07	06/30/08	1,000	-	1,000	-	-	-	-	-	1,000	-
PSE&G Emergency Preparedness Grant	07/01/12	06/30/13	5,000	-	5,000	-	-	4,888	-	-	112	4,888
Cablevision Public Education and Government Access Program	07/01/04	06/30/05	100,000	-	50,900	-	-	8,260	-	-	42,640	57,360
Paterson Museum Mineral Hall Collection Donations	07/01/03	06/30/04	10,000	-	2,515	-	-	-	-	-	2,515	7,485
Total Other Grants				-	333,929	30,009	-	65,168	-	56	298,714	
Hudson County Open Space Preservation Trust:												
Pennington Park Gazebo	07/01/11	06/30/12	175,000	101,555	2,000	173,000	-	141,344	-	31,656	2,000	141,344
Pennington Park Rollover	07/01/12	06/30/13	524,350	524,350	-	524,350	-	524,350	-	-	-	524,350
Passaic River Waterfront Study	07/01/10	06/30/11	30,000	-	30,000	-	-	-	-	-	30,000	-
Analysis Pocket Parks	07/01/10	06/30/11	30,000	18,328	30,000	-	-	18,328	-	405	11,267	18,328
Middle Lower Raceway Investigation & Design	07/01/10	06/30/11	500,000	-	40,000	-	-	-	-	-	40,000	460,000
Middle Lower Raceway	07/01/08	06/30/09	45,000	-	45,000	-	-	-	-	-	45,000	-
M.E. Kramer Park - Phase I	07/01/05	06/30/06	125,000	57,079	-	78,756	-	67,246	-	-	11,510	113,490
M.E. Kramer Park - Phase II	07/01/06	06/30/07	125,000	-	-	125,000	-	-	-	125,000	-	-
M.E. Kramer Park - Phase III	07/01/07	06/30/08	50,000	-	-	50,000	-	-	-	50,000	-	-
M.E. Kramer Park - Phase IV	07/01/08	06/30/09	95,000	-	-	95,000	-	-	-	95,000	-	-
M.E. Kramer Park - Rollover	07/01/08	06/30/09	45,000	-	-	45,000	-	-	-	45,000	-	-
Overlook Park Improvements	07/01/05	06/30/06	150,000	-	143,059	-	-	-	-	-	143,059	6,941
Eastside Park Concession Stand / Cricket House	10/08/13	*	260,000	-	-	-	260,000	-	-	-	260,000	-
Total Open Space Preservation Trust				701,312	290,059	1,091,106	260,000	751,268	-	347,061	542,836	
Passaic County Prosecutor												
Passaic County Prosecutor's Office Franklin Reward	07/01/10	06/30/11	30,000	-	2,500	-	-	-	-	-	2,500	27,500
Passaic County Prosecutor's Office Confidential Forfeiture Fund	07/01/12	06/30/13	10,000	-	9,000	-	-	-	-	-	9,000	1,000
Total Passaic County Prosecutor				-	11,500	-	-	-	-	-	11,500	
Paterson Restoration Corporation												
Paterson Restoration Corporation Master Plan Grant	07/01/11	06/30/12	130,000	-	1,000	41,000	-	41,000	-	-	1,000	129,000
Division of Comm. Improvements Technology Upgrade Grant	09/25/13	*	125,000	125,000	-	-	125,000	60,093	-	23,885	41,022	60,093
Rogers Building Scaffolding Grant	*	*	14,800	14,800	-	-	14,800	-	-	14,800	-	-
Total Paterson Restoration Corporation				139,800	1,000	41,000	139,800	101,093	-	38,685	42,022	
Total Other Financial Assistance				$ 841,112	$ 636,488	$ 1,162,115	$ 399,800	$ 917,529	$ -	$ 385,802	$ 895,072	

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

CITY OF PATERSON
NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED JUNE 30, 2014

NOTE A. GENERAL

The City of Paterson (the "City"), received and continues to participate in numerous federal award and state financial assistance programs, in the form of grant cost reimbursements and revenue sharing entitlements. The City is the reporting entity for the grant programs received. Administration of the grant programs is performed by the various departments of the City.

Reporting

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state programs of the City. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance.

The information in these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the provisions of the New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Federal awards provided to sub-recipients are treated as expenditures when paid.

NOTE B. BASIS OF ACCOUNTING

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

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

NOTE B. BASIS OF ACCOUNTING (continued)

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

NOTE C. REPORTING ENTITY

The City, for purposes of the schedules of expenditures of federal awards and state financial assistance, includes all of the primary government as defined by criteria established by the Governmental Accounting Standards Board.

The City administers certain federal and state award programs through subrecipients. Those subrecipients are not considered part of the City's reporting entity.

NOTE D. PASS-THROUGH AWARDS

The City receives certain federal awards from pass-through awards of the state. The amounts received are commingled by the state with other funds and cannot be separately identified.

NOTE E. CONTINGENCIES

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

NOTE F. MONITORING OF SUB-RECIPIENTS

Under the requirements of the Single Audit Act and State regulations, if the City, as a primary recipient, receives federal and state financial assistance and provides $500,000 or more of such assistance to a sub-recipient in a fiscal year, the City is responsible for determining that the expenditures of federal and state monies passed through to sub-recipients are utilized in accordance with applicable laws and regulations.

CITY OF PATERSON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors report issued:	Qualified-as prescribed by NJ DLGS Adverse-according to GAAP			
Internal Control over Financial Reporting:				
1) Material weakness(es) identified?	✓	Yes	Finding 2014-001	No
2) Significant deficiency(ies) identified?	✓	Yes	Finding 2014-002	No
Noncompliance material to basic financial statements noted?	✓	Yes	Finding 2014-001 and Finding 2014-002	No

Federal Awards

Internal Control over Major Programs:				
1) Material weakness(es) identified?		Yes	✓	No
2) Significant deficiency(ies) identified?	✓	Yes	Finding 2014-006	No

Type of auditor's report on compliance for major programs:

Unmodified for all major federal programs, except for the following which are all Qualified:
CFDA 14.239 - Home Investment Partnership Grant
CFDA 14.218/14.253 - CDBG Cluster

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	✓	Yes	Finding 2014-003 through Finding 2014-006	No

Identification of major Federal Programs:

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

Dollar threshold used to distinguish between Type A and Type B Programs:			$	656,043
Auditee qualified as low-risk auditee?		Yes	✓	No

CITY OF PATERSON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Section I - Summary of Auditor's Results

State Financial Assistance

Type of auditor's report on compliance for major programs:	Unmodified for all major State programs.		
Internal Control over Compliance:			
1) Material weakness(es) identified?	Yes	✓	No
2) Significant deficiency(ies) identified?	Yes	✓	No
Any audit findings disclosed that are required to be reported in accordance with NJ OMB 15-08, as amended?	Yes	✓	No

Identification of major State programs

State Grant Number		Name of State Program
100-054-7500-068	-	School Based Youth Services Program
042-4900-752	-	Recycling Tonnage Grant
042-4800	-	Green Acres Trust
2830-763-20-2830-32-EEEE	-	Urban Enterprise Zone

Dollar threshold used to distinguish between Type A and Type B Programs: $ 300,000

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2014

Section II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 through 5.20 of *Government Auditing Standards*.

Finding 2014-001

Material Weakness in Internal Control
Noncompliance Material to Basic Financial Statements

Criteria: Governmental Accounting Standards Board Statement Number 45 (GASB 45) requires all governmental entities to calculate the actuarially determined liability for other post retirement benefits (OPEB). GASB 45 requires financial statement accrual and note disclosure of the liability. However, the State of New Jersey, Department of Community Affairs, Division of Local Government services issued Local Finance Notice 2007-15 (LFN 2007-15) which eliminates the requirement for accrual, but retains the GASB 45 requirements for note disclosure.

Condition: The actuarial accrued liability and net OPEB obligation amount required to be disclosed in the financial statements have not been updated in accordance with GASB 45.

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

Effect: The disclosures in notes to financial statements regarding actuarial accrued liability and net OPEB obligation are potentially materially misstated.

Cause: The City did not have an actuarial valuation performed as of the biennial period ended June 30, 2014

Recommendation: The City must make certain an actuarial valuation of its OPEB is performed as per the requirements set forth in GASB 45 so proper note disclosure per GASB 45 and LFN 2007-15 can be made.

Views of Responsible Officials

The City is currently seeking quotes for an actuary to perform the valuation of its post retirement benefit obligation in response to the audit requirements stated in GASB 45. It is expected to be completed prior to year end FY16.

Section II - Schedule of Financial Statement Findings

Finding 2014-002

Significant Deficiency in Internal Control
Noncompliance Material to Basic Financial Statements

Criteria: The City is required by N.J.A.C. 5:30-5.6 to establish and maintain a physical inventory of fixed assets of nonexpendable, tangible property. The reporting system must have a subsidiary ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets. Further, the subsidiary ledger is required to ensure that property records are maintained accurately, to reflect a description and source of the property, its ownership, the acquisition cost and date, the percentage of Federal participation in the acquisition, and the location, use, and condition of the property.

Condition/Context: The City's fixed asset listing was not updated during the year under audit.

Effect: (1) The City's fixed asset inventory system is not in compliance with N.J.A.C. 5:30-5.6, (2) the fixed asset inventory is potentially misstated on the financial statements and (3) the lack of controls over fixed assets increases the possibility of misappropriation of inventory.

Cause: The City's fixed asset inventory system relies on manual review of vouchers post-purchase to record additions. Such review was not conducted. Further, no formal disposal policies appear to be followed.

Recommendation: The City should make certain all physical asset additions and disposals are reflected in the accounting system.

Views of Responsible Officials

The City's Internal Audit Office was charged with maintaining its fixed assets Inventory on Excel spreadsheets apparently using $5000 as the minimum value. There was a 2014 folder for fixed assets located in that office that the Finance Director assumed complete for 2014. The City is currently seeking quotes for an independent inventory and tagging of its fixed assets. The City also expects to receive an electronic copy of this inventory to be loaded into the software application about to be purchased that will allow the City to maintain its own inventory on an ongoing basis.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2014

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

This section identifies audit findings required to be reported by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

FINDING 2014-003

Noncompliance (L) - Reporting

US Department of Housing and Urban Development
Community Development Block Grant (CDBG) Entitlement Cluster
CFDA Number 14.218 / 14.253

Criteria: The Code of Federal Regulations Title 24 Part 91 "24 CFR 91.520 (a)" requires State and local governments that receive Community Development Block Grant funds to submit their Consolidated Annual Performance and Evaluation Report (CAPER) must be submitted to HUD within 90 days after the end of their annual program year.

Condition: The City of Paterson did not file their CAPER within the 90 day period. The City has been reminded by HUD of this existing condition in prior years.

Questioned Costs: None noted.

Context: The CAPER for the year ended June 30, 2014 was submitted 95 days after year end.

Effect: Delays in filing may cause corresponding delay in HUD's review and approval of future funding.

Cause: The cause for late submission could not be determined.

Recommendation: The City should file its annual Consolidated Annual Performance and Evaluation Report within 90 days of year end as required by 24 CFR 91.520.

Views of Responsible Officials

The City was granted an extension from HUD and will make every effort in the future to submit all response on time.

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

FINDING 2014-004

Noncompliance (M) – Subrecipient Monitoring

US Department of Housing and Urban Development
Community Development Block Grant (CDBG) Entitlement Cluster
CFDA Number 14.218 / 14.253

Criteria: The Code of Federal Regulations Title 24 Part 570 "24 CFR 570.503 requires monitoring of all subrecipients.

Condition/Context: Audit review noted six instances in which there was no evidence of subrecipient monitoring.

Questioned Costs: None noted.

Effect: The City is non-compliant with 24 CFR 570.503.

Cause: The cause for deficiency in subrecipient monitoring could not be determined.

Recommendation: The City should properly monitor all subrecipients of its Community Development Block Grant programs as required by 24 CFR 570.503.

Views of Responsible Officials

The CDBG activities have been assigned to a program monitor to review and monitor. As of October, 2014, staffing was reduced in the Department due to a loss of CDBG grant dollars and will make every effort in the future to monitor all activities more closely.

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

FINDING 2014-005

Noncompliance (N) – Special Tests and Provisions

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

Criteria: The Code of Federal Regulations Title 24 Part 92 "24 CFR 92.254(a)(5)" states that properties acquired or rehabilitated with Home–assisted funds must impose resale provisions on the property.

Condition/Context: Audit review noted two instances in which Home-assisted funds were provided to first-time home buyers and no provision for resale was filed on the property.

Questioned Costs: None noted.

Effect: The City is non-compliant with 24 CFR 92.254(a)(5) and is at risk for possible loss of monies in the event of a future sale or default of the property.

Cause: The City did not file deed restrictions on the two properties noted.

Recommendation: The City should impose resale provisions on all properties acquired or rehabilitated with Home-assisted funds as required by 24 CFR 92.254

Views of Responsible Officials

The City has filed deed restrictions on the two properties in question which each contain the necessary resale provisions that are required for HOME assisted properties. The audit report was created prior to the City receiving the mortgages back from Passaic County Court House, Office of Register Division. The documents have since been returned and are currently placed in the applicant's file.

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

Finding 2014-006

Noncompliance (B) – Allowable Costs / Cost Principles
Significant Deficiency in Internal Control

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

Criteria: Home Program grantees are required to ensure that Home Program funds are committed, expended and reported in compliance with Program requirements.

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

Questioned Costs: As noted above. No formal resolution on this matter was determined as of the audit date. The final costs the City will be required to reimburse the Program from non-Federal funds, if any, is not yet known.

Effect: The City is potentially liable to reimburse the Home Program for program costs questioned by the US Department of HUD – Office of Inspector General.

Cause: As implied by the report issued by HUD referenced above, the cause of these findings can be corrected through the strengthening and implementation of various controls and reconciliation procedures.

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

Finding 2014-006 (continued)

Recommendation: The City should strengthen and implement controls over its Home Program as directed by the US Department of Housing and Urban Development – Office of Inspector General.

Views of Responsible Officials of the City:
The City is addressing these findings to reduce the amount owed to HUD.

CITY OF PATERSON

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

FOR THE YEAR ENDED JUNE 30, 2014

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with U.S. OMB Circular A-133 and New Jersey OMB's Circular 04-04.

Status of Prior Year Findings

FINDING 2013-001: US Department of Housing and Urban Development
Home Investment Partnership Program
CFDA Number 14.239

Condition: The HOME Program has income targeting requirements. Only low income or very low income persons, as defined in 24 CFR Section 92.2 can receive housing assistance. Therefore, the participating jurisdiction must determine if each family is income eligible by determining the family's annual income, as provided for in 24 CFR Section 92.203. Participating jurisdictions must maintain records for each family assisted (24 CFR Section 92.508).

In accordance with HOME funds for tenant-based rental assistance, as provided for in 24 CFR Section 92.209(b), the participating jurisdiction must select families in accordance with policies and criteria consistent with those provided in 24 CFR Section 92.209(c).

In addition, the City is required to complete on-site inspections of rental housing occupied by tenants receiving HOME-assisted tenant –based rental assistance. In accordance with 24 CFR Section 92.251, 92.252, and 92.504 requires the on-site inspections based on number of units contained in building.

The City did not perform inspections of housing units, verify income or review leases as required.

Current Status: This finding has been corrected from the prior year

CITY OF PATERSON

GENERAL COMMENTS

FOR THE YEAR ENDED JUNE 30, 2014

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

N.J.S.A.40A:11-3 states: "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent or other employee so designated by the governing body when so authorized by ordinance or resolution, as appropriate to the contracting unit, without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If a purchasing agent has been appointed, the governing body of the contracting unit may establish that the bid threshold may be up to $25,000 or the threshold amount adjusted by the Governor pursuant to subsection c. of this section. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section." The City has appointed a Qualified Purchasing agent and is subject to a bid threshold of $36,000.

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder." The governing body of the City has the responsibility of determining whether the expenditures in any category will exceed $36,000 within the fiscal year. Where questions arise as to whether any contract or agreement might result in a violation of the Statute, the opinion of City Counsel should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "professional services" per N.J.S.A. 40A:11-5, "extraordinary unspecifiable services" per N.J.S.A. 40A:11-6.1 and "state contracts" per N.J.S.A. 40A:11-12.

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

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

- DSX Access Control Devices for 11 Doors
- Recreation Transportation Services
- Manhole and Catch Basin Castings
- Two Chevrolet Express Cargo Vans
- Cleaning and Maintenance of CSO Regulators
- Electrical Supplies
- HVAC Maintenance and Repair
- Danforth Library Sidewalk Replacement
- Forms Printing and NCR Forms
- Two Dump Trucks with Plow and Salt Spreaders
- Pothole Repairs
- Eastside Park Repairs
- Message Display Signs
- Air Handler Unit Replacement
- Emergency Sewer Main Repairs
- 65 and 35 Gallon Two-Wheel Recycled Carts
- One Roll-Off Body
- Recreation T-Shirts and Accessories
- Pool Maintenance
- Barbour Park Environmental Remediation
- Seven Street Sweepers
- Janitorial Suplies
- Remove, Transport and Dispose Scrap Tires
- Spruce and McBride Intersection Pavers
- Fire House Window and Door Refurbishing
- Emergency Backup Generators
- Elevator Modernization
- Road Resurfacing

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of $36,000, "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those for which bids had been previously sought by public advertisements or for which a resolution had been previously adopted under the provision of N.J.S.A. 40A:11-6.

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.

DELINQUENT TAXES AND TAX TITLE LIENS

Balances as shown on yearend tax listing reflect tax prepayments and overpayments as well as unpaid real estate tax amounts. The following summarizes uncollected real estate taxes as of June 30, 2014:

Year	Amount
1999	$ 38
2000	40
2001	1,113
2004	5
2005	50
2010	151
2011	36,583
2012	127
2013	1,989
2014	83,891
	$ 123,987

A tax sale was held on May 27, 2014 and was complete except for items in bankruptcy, senior citizen exemption billbacks, and those pending financial record adjustment. All tax sale certificates were available for examination except those in the possession of the City Attorney for the purpose of initiating foreclosure proceedings.

The following comparison is made of the number of Tax Title Liens Receivable at year end of the last five years.

Year Ended	Number of Liens
June 30, 2014	762
June 30, 2013	605
June 30, 2012	337
June 30, 2011	262
June 30, 2010	17

Recourse to all means provided by the statutes should be taken to realize or eliminate tax title liens through collection or foreclosure in order to return such property to a tax paying basis.

CITY OF PATERSON

COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED JUNE 30, 2014

FINDING 1: As of June 30, 2014, the City did not have a control policy in place requiring periodic verification of the continued eligibility of retirees or surviving spouses and dependent children. Paying for health insurance for deceased retirees, or spouses and dependants who subsequently become ineligible due to death, remarriage or age restrictions, is a potential hidden cost, not easily detected, unless there is a control procedure in place to verify eligibility periodically.

It should be noted that as of the audit report date the City commenced a project to confirm and verify the continued eligibility of retirees. As it is in the early stages, the results of that project are not yet known.

Recommendation: Formal control policies and procedures regarding the verification of the continued eligibility of retirees or surviving spouses and dependent children should be instituted.

FINDING 2: Of a sample of 25 terminated employees, testing indicated six instances in which terminated employees were not timely removed from the health benefits billing. In these six instances, removal from health benefits occurred between four and eight months after termination.

Recommendation: The City should review health benefit billings to make certain terminated employees are removed timely.

FINDING 3: Of a sample of 60 employees selected for payroll testing, six instances were noted in which overtime earned was paid subsequent to the following pay cycle. In these six instances, payment for overtime ranged from 5 weeks to 9 weeks after the date of accrual.

Recommendation: The City should strengthen procedures regarding the payment of overtime to make certain employees receive overtime pay in accordance with the timelines set forth in the Fair Labor Standards Act.

FINDING 4: P.L. 2004, c.57 requires all government contracting units in the State of New Jersey to obtain Business Registration Certificates for vendors when the value of the individual contract or annual aggregate value with the vendor exceeds 15% of the contracting agency's bid threshold. Audit testing indicates Business Registration Certificates were properly received for vendors awarded bids, however, the City is generally not obtaining and filing Business Registration Certificates before payments are made to vendors exceeding 15% of the bid threshold and/or aggregated in excess of the quote threshold.

Recommendation: The City should obtain Business Registration Certificates for all vendors paid in excess of 15% of the City's bid threshold.

FINDING 5: Testing of W-9s indicated these forms were generally not available for audit review. As a result, audit testing designed to determine whether 1099s have been properly filed could not be properly completed.

Recommendation: The City should obtain and retain Form W-9 from all vendors. Further, the City should review these W-9s to assure compliance with Federal guidelines regarding the issuance of 1099s.

FINDING 6: The City did not obtain sufficient surety bond coverage for its Tax Collector as required by N.J.A.C. 5:30-8.2 and as recommended by N.J.A.C. 5:30-8.3 for its Chief Financial Officer.

Recommendation: The City should obtain the proper surety bond coverage as outlined in N.J.A.C. 5:30-8.2 and 8.4 to reduce the potential risk associated with not obtaining the recommended and minimum levels of coverage.

FINDING 7: On October 28, 2014, the City adopted an ordinance effectively dissolving the Paterson Municipal Utilities Authority and moving its operations into the Department of Public Works. However, activities such as the payment of bills continued subsequent to that date. City officials referred such activity to the Passaic County Prosecutor's Office. No further update has been provided regarding the matter. In accordance with the "Requirements of Audit", a confidential report will be filed with the Division of Local Government Services.

Recommendation: A close-out audit of the Paterson Municipal Utilities Authority should be conducted.

FINDING 8: Review of the Municipal Court Monthly Management Report for the month of June, 2014 indicated backlog in ticket and complaint processing. Using 0.4% of the total caseload as an indicator of potential backlog, the threshold utilized to determine backlog was 50 for criminal cases and 410 for traffic cases. Amounts exceeded these thresholds in the following areas: (a) 713 tickets on "Other Case Statuses", (b) 2,782 "Cases on Overpayment Status", (c) 26,109 tickets "Assigned Not Issued" over 180 days, (d) 4,146 tickets "Issued Not Assigned", (e) 512 complaints "Eligible for FTA" over 14 days and (f) 49 parking tickets over three (3) years old which require dismissal.

In addition, (g) the Municipal Court "Indictable Complaints Not Referred to County Prosecutor Report" as of September 23, 2015 lists 106 indictable complaints that have not been transferred to the county prosecutor. There should be no cases listed.

Recommendation: The Municipal Court should rectify the backlog in ticket and complaint processing as follows: (a) The Case Status Report should be reviewed to note those cases that will require court action before the next follow-up step is initiated by the system. Each case should be reviewed regularly by the court to insure processing is continued. (b) The Over/Under Payment Report should be printed monthly and reviewed to insure that all overpayment refund checks are written and processed on a monthly basis. (c) The Tickets Assigned Not Issued Report should be reviewed and all tickets assigned over six (6) months not issued should be recalled. (d) The Tickets Issued Not Assigned Report should be reviewed to insure that all tickets are assigned. (e) The Eligible for FTA Report should be reviewed and FTAs should be promptly generated. (f) The Follow-Up Incomplete Report should be reviewed. As per Rule 7:8-9(f), once the case is over three (3) years old, and follow-up procedures available to the municipal court have not been completed, the ticket must be dismissed. (g) The Municipal Court Indictable Complaints Not Referred to County Prosecutor Report as of September 23, 2015 lists 106 indictable complaints that have not been transferred to the county prosecutor.

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Other Findings

We noted certain other matters that we reported in the accompanying schedule of findings and questioned costs section of this report found on pages 227 through 233. Such matters are required to be reported under *Government Auditing Standards*, U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and N.J. OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*

Status of Prior Years' Audit Recommendations

In accordance with Government Auditing Standards, a review was performed on all prior year's recommendations. With the exception of those findings noted as being repeated from the prior year, corrective action was taken on all prior year recommendations.

Corrective Action

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the governing body and submitted within 60 days from the date the audit is received.

****

Resolution to the City of Paterson, N.J.

No. ..... Res. # ..... Date of Adoption .....

Division FINANCE .....

Factual Contents Certified By

Title Date 12/1/15

TITLE: **RESOLUTION TO APPROVE THE CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR 2014 AUDIT REPORT OF THE CITY OF PATERSON.**

res.fy14.correct.act.11.15.ES (no edits needed).BDS

Approved As to Form and Legality on Basis of Facts Set Forth

2nd Asst. CORPORATION COUNSEL Date 12/1/15.

COUNCILPERSON ..... Introducing the Following Resolution:

WHEREAS, the Division of Local Government Services requires the Chief Financial Officer to file a "Corrective Action Plan," attached hereto, outlining the actions to be taken by the City relative to the findings and recommendations in the annual audit report; and

WHEREAS, the "Corrective Action Plan" has been prepared by the Chief Financial Officer with assistance from other officials affected by the audit findings and recommendations; and

WHEREAS, a "Corrective Action Plan" requires approval by resolution of the municipal Governing Body; and

WHEREAS, the "Corrective Action Plan," prepared by the Chief Financial Officer and approved by the municipal Governing Body, shall be placed on file and made available for public inspection in the office of the City Clerk.

NOW THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF PATERSON that it hereby approves the attached "Corrective Action Plan" for the Fiscal Year 2014 Audit Report submitted by the Chief Financial Officer.

STATEMENT OF PURPOSE

The purpose of this Resolution is to approve the Corrective Action Plan for the FY2014 audit, which includes findings and recommendations, as required by the Department of Community Affairs.

Z:\documents\Ben-David Seligman\Legal Matters Without Files\Finance Matters\2015-12-01 Workshop & 2015-12-15 Regular Meeting\res fy14 correct act 11 15.ES (no edits needed).BDS.doc

SECONDED BY COUNCILPERSON .....

Do Not Use Space Below This Line

RECORD OF COUNCIL VOTE ON FINAL PASSAGE	*AYE*	*NAY*	*ABSTAIN*	*ABSENT*
1. AKHTARUZZAMAN, MOHAMMED				
2. COTTON, RUBY N.				
3. DAVILA, MARITZA				
4. JACKSON, MICHAEL				
5. McKOY, WILLIAM C.				
6. MENDEZ, DOMINGO A.				
7. MORRIS, KENNETH				
8. SAYEGH, ANDRÉ				
9. TAVAREZ, JULIO				

Adopted at a meeting of the Municipal Council of the City of Paterson, N.J., ...

..... Council President ..... City Clerk

Form 1 This Resolution when adopted must remain in the custody of the City Clerk. Certified copies are available.

New Jersey Department of Community Affairs
Division of Local Government Services
Corrective Action Plan (Comments & Recommendations)

City of Paterson
County of Passaic
Audit Report Year: June 30, 2014

Finance
James TenHoeve, Acting Finance Director

Finding/Condition #1

As of June 30, 2014, the City did not have a control policy in place requiring periodic verification of the continued eligibility of retirees or surviving spouses and dependent children. Paying for health insurance for deceased retirees, or spouses and dependents 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:

Formal control policies and procedures regarding the verification of the continued eligibility of retirees or surviving spouses and dependent children should be instituted.

Explanation and Corrective Action:

Action Taken: The Division of Treasury is in the process of conducting a Dependent Eligibility Audit for all Retirees. All retirees were sent a letter and a form to fill out specifying required documents to prove continued eligibility of their dependents. When we are done, we will have a report on the audit findings and we will make the appropriate adjustments.

Since we transferred our Medicare Retirees to the Aetna Medicare Advantage Program, Aetna is now sending a monthly termination report to show deceased retirees and/or deceased spouses. We are developing a procedure to review, on a timely basis, the appropriate retiree union contracts to see if the surviving dependents are eligible for continued coverage by the City.

For Early Retirees, we will continue to do an annual dependent eligibility audit.

New Jersey Department of Community Affairs
Division of Local Government Services
Corrective Action Plan (Comments & Recommendations)

City of Paterson
County of Passaic
Audit Report Year: June 30, 2014

Administration
Abby Levinson, Acting Finance Director

Finding/Condition #2

Of a sample of 25 terminated employees, testing indicated six instances in which terminated employees were not timely removed from the health benefits billing. In these six instances, removal from health benefits occurred between four and eight months after termination.

Recommendation:

The City should review health benefit billings to make certain terminated employees are removed timely.

Explanation and Corrective Action:

Action Taken: Since there are multiple issues at play in this situation, my corrective action plan is threefold.

Step 1: I have added another employee, Gary Johnson, to work with the benefits clerk and assist with basic enrollments and terminations of health benefits coverage. Having another employee help with this work load should ensure a more efficient and organized benefits enrollment and termination process.

Step 2: The Division of Personnel is currently working on conducting a training session for all Division and Department heads regarding the process of competing and executing a Personnel Action Form in a timely manner. This training will mitigate the issue of late receipt of the Personnel Action Form resulting in a late termination of benefits for the employee.

Step 3: Since there were four instances in which employees were not terminated in a timely manner for no other reason that a lack of completing this task by the benefits clerk, the benefits clerk will receive appropriate disciplinary action for this inability to complete job duties.

New Jersey Department of Community Affairs
Division of Local Government Services
Corrective Action Plan (Comments & Recommendations)

City of Paterson
County of Passaic
Audit Report Year: June 30, 2014

Administration
Abby Levinson, Acting Finance Director

Finding/Condition #3

Of a sample of 60 employees selected for payroll testing, six instances were noted in which overtime earned was paid subsequent to the following pay cycle. In these six instances, payment for overtime ranged from 5 weeks to 9 weeks after the date of accrual.

Recommendation:

The City should strengthen procedures regarding the payment of overtime to make certain employees receive overtime pay in accordance with the timelines set forth in the Fair Labor Standards Act.

Explanation and Corrective Action:

Action Taken: Based on this information it is clear that the Payroll department needs to conduct a training session for the City regarding the Overtime pay policies. Currently the Division of Personnel is working on a City wide training that will assist all City employees in charge of payroll for their Departments to learn when payroll must be received in order to be processed on time, how to import the payroll hours into the Edmunds system correctly and provide these employees with a chance to ask questions regarding payroll related procedures. This training will help cut down on untimely receipt of overtime approval forms as well as help correct other common errors made by employees who submit information to Payroll.

New Jersey Department of Community Affairs
Division of Local Government Services
Corrective Action Plan (Comments & Recommendations)

City of Paterson
County of Passaic
Audit Report Year: June 30, 2014

Administration
Harry Cevallos, Director

Finding/Condition #4

P.L. 2004, c.57 requires all government contracting units in the State of New Jersey to obtain Business Registration Certificates for vendors when the value of the individual contract or annual aggregate value with the vendor exceeds 15% of the contracting agency's bid threshold. Audit testing indicates Business Registration Certificates were properly received for vendors awarded bids, however, the City is generally not obtaining and filing Business Registration Certificates before payments are made to vendors exceeding 15% of the bid threshold and/or aggregated in excess of the quote threshold.

Recommendation:

The City should obtain Business Registration Certificates for all vendors paid in excess of 15% of the City's bid threshold.

Explanation and Corrective Action:

Action Taken: The City currently uses KVS financial software that has not been upgraded in many years. The software as it currently exists does not have the ability to flag vendors that exceed the 15% bid threshold.

The City has purchased new financial software from SHI of Somerset, New Jersey which has been installed sometime in 2014. The City has yet to convert to the new system due to the retirements of key personnel that would be needed to perform the conversion and parallel running with the KVS system. The transition to the new system must be done at the beginning of a fiscal year (July 1) so that an entire year can be on one system. The City is planning that conversion July 1, 2016. Once the City is running on the new software employees entering vouchers for payment will be alerted to vendors surpassing the 15% threshold for aggregate purchases.

New Jersey Department of Community Affairs
Division of Local Government Services
Corrective Action Plan (Comments & Recommendations)

City of Paterson
County of Passaic
Audit Report Year: June 30, 2014

Finance
James Ten Hoeve, Acting Finance Director

Finding/Condition #5

Testing of W-9s indicated these forms were generally not available for audit review. As a result, audit testing designed to determine whether 1099s have been properly filed could not be properly completed.

Recommendation:

The City should obtain and retain Form W-9 from all vendors. Further, the City should review these W-9s to assure compliance with Federal guidelines regarding the issuance of 1099s.

Explanation and Corrective Action:

Action Taken: W-9s are currently retained in many different locations including the Division of Purchasing and the Division of Accounts & Control as they are submitted as result of bids, request for proposals or request for quotes, and 1099-MISC are issued by the Division of Accounts & Control to most vendors that exceed $600.00 in the aggregate within a calendar year. Several forms of business organizations are exempt pursuant to the IRS tax code. One of those forms of businesses, an LLC has both taxed and non-taxed entities. There is no way to determine which category without having a copy of the W-9. Hence, the City issues 1099's to all LLC's who have received payment in excess of $600.00.

In response to the auditors recommendation the Finance Department in conjunction with the Division of Purchasing are creating a system of centrally storing business registration certificates, W-9's and 1099's. Policy is also being created whereby checks cannot be issued without a business registration certificate and W-9 being on file.

New Jersey Department of Community Affairs
Division of Local Government Services
Corrective Action Plan (Comments & Recommendations)

City of Paterson
County of Passaic
Audit Report Year: June 30, 2014

Finance
James Ten Hoeve, Acting Finance Director

Finding/Condition #6

The City did not obtain sufficient surety bond coverage for its Tax Collector as required by N.J.A.C. 5:30-8.2 and as recommended by N.J.A.C. 5:30-8.3 for its Chief Financial Officer.

Recommendation:

The City should obtain the proper surety bond coverage as outlined in N.J.A.C. 5:30-8.2 and 8.4 to reduce the potential risk associated with not obtaining the recommended and minimum levels of coverage.

Explanation and Corrective Action:

Action Taken: As a result of this recommendation the City has asked its insurance consultant to obtain the proper surety coverage for the Tax Collector in accordance with the formula set by the State of New Jersey.

New Jersey Department of Community Affairs
Division of Local Government Services
Corrective Action Plan (Comments & Recommendations)

City of Paterson
County of Passaic
Audit Report Year: June 30, 2014

Finance
James Ten Hoeve, Acting Finance Director

Finding/Condition #7

On October 28, 2014, the City adopted an ordinance effectively dissolving the Paterson Municipal Utilities Authority and moving its operations into the Department of Public Works. However, activities such as the payment of bills continued subsequent to that date. City officials referred such activity to the Passaic County Prosecutor's Office. No further update has been provided regarding the matter. In accordance with the "Requirements of Audit", a confidential report will be filed with the Division of Local Government Services.

Recommendation:

A close-out audit of the Paterson Municipal Utilities Authority should be conducted.

Explanation and Corrective Action:

Action Taken: As a result of this recommendation the City has awarded a contract for additional financial services to the firm of Donohue, Gironda, Doria and Tomkins at the November 4, 2015 council meeting to perform the required audit of the Municipal Utilities Authority.

New Jersey Department of Community Affairs
Division of Local Government Services
Corrective Action Plan (Comments & Recommendations)

City of Paterson
County of Passaic
Audit Report Year: June 30, 2014

Municipal Court
Honorable Juan Calcines, Judge

Finding/Condition #8

Review of the Municipal Court Monthly Management Report for the month of June, 2014 indicated backlog in ticket and complaint processing. Using 0.4% of the total caseload as an indicator of potential backlog, the threshold utilized to determine backlog was 50 for criminal cases and 410 for traffic cases. Amounts exceeded these thresholds in the following areas: (a) 713 tickets on "Other Case Statuses", (b) 2,782 "Cases on Overpayment Status", (c) 26,109 tickets "Assigned Not Issued" over 180 days, (d) 4,146 tickets "Issued Not Assigned", (e) 512 complaints "Eligible for FTA" over 14 days and (f) 49 parking tickets over three (3) years old which require dismissal.

In addition, (g) the Municipal Court "Indictable Complaints Not Referred to County Prosecutor Report" as of September 23, 2015 lists 106 indictable complaints that have not been transferred to the county prosecutor. There should be no cases listed.

Recommendation:

The Municipal Court should rectify the backlog in ticket and complaint processing as follows: (a) The Case Status Report should be reviewed to note those cases that will require court action before the next follow-up step is initiated by the system. Each case should be reviewed regularly by the court to insure processing is continued. (b) The Over/Under Payment Report should be printed monthly and reviewed to insure that all overpayment refund checks are written and processed on a monthly basis. (c) The Tickets Assigned Not Issued Report should be reviewed and all tickets assigned over six (6) months not issued should be recalled. (d) The Tickets Issued Not Assigned Report should be reviewed to insure that all tickets are assigned. (e) The Eligible for FTA Report should be reviewed and FTAs should be promptly generated. (f) The Follow-Up Incomplete Report should be reviewed. As per Rule 7:8-9(f), once the case is over three (3) years old, and follow-up procedures available to the municipal court have not been completed, the ticket must be dismissed. (g) The Municipal Court Indictable Complaints Not Referred to County Prosecutor Report as of September 23, 2015 lists 106 indictable complaints that have not been transferred to the county prosecutor.

Explanation and Corrective Action:

Action Taken: Regarding the recommendations made by the auditor, please be advised:

1. Auditors recommendations A and B, the "Case Status Reports" and the "Over/Under Payment Reports" are reviewed on a weekly basis.
2. Auditors recommendations C and D, The "Tickets Assigned Not Issued" and the "Tickets Issued Not Assigned" reports are reviewed regularly. I have written the Police Director to stress to the police officers the importance of returning unused tickets and returning issued tickets within 4 days of issuance as per court rules.
3. Auditors recommendation E, "Eligible for FTA report". Paterson experiences an extremely high occurrence of FTA's. Considering the amount of FTA's we are issuing the FTA's in a relatively timely manner.
4. Auditors recommendation F. The "Follow Up Incomplete" report is being address on a monthly basis by myself personally.
5. Auditors recommendation G. The person responsible for the report was on medical leave it has been addressed and current.

I respectfully disagree with the auditors comment that we should not have any cases in backlog. Please bear in mind we are the 4th largest Municipal Court out of 544 in the State. Paterson cannot be compared to small courts that have 1 or 2 court sessions a week/month and small volumes of cases. Paterson has 23 court sessions a week, for the calendar year period of July 13 – June 14 we disposed of 135,537 total cases. Given the large volume experienced by Paterson, there will always be some cases that are in backlog.

Additionally, there are many factors outside the control of the Courts that contribute to backlog of cases. Some examples are; delays in obtaining discovery, cases being adjourned to afford the defendant an opportunity to obtain an attorney and officers failing to report to court. Enclosed you will also find the September 2015 backlog per 100 report provided to us by the State. You will note that we are above state average in 4 out of the 5 categories and ranked 4th in the County in Drunk Driving and D.P./P.D.P categories. Nevertheless, we continue to try to come up with innovative ideas to continue to work on the reduction of backlog.

BACKLOG PER 100
SEPTEMBER 2015

D.W.I.		TRAFFIC		PARKING		D.P./P.D.P.		OTHER	
North Haledon	0	North Haledon	0	Ringwood	0	Bloomingdale	44	Haledon	20
Prospect Park	0	Bloomingdale	5	North Haledon	3	Little Falls	61	North Haledon	25
Haledon	84	Pompton Lakes	12	Wanaque	3	Totowa	63	Pompton Lakes	25
Paterson	98	Wanaque	13	Bloomingdale	6	Ringwood	68	Bloomingdale	30
Little Falls	97	Ringwood	25	Haledon	13	Paterson	71	Hawthorne	36
Totowa	106	Woodland Park	25	Hawthorne	14	Hawthorne	77	Paterson	42
Passaic	112	Haledon	27	Little Falls	18	West Milford	77	Wanaque	63
Clifton	115	State Avg.	29	Wayne	22	North Haledon	81	Clifton	65
Wanaque	123	Hawthorne	31	Clifton	26	State Avg.	94	Ringwood	65
State Avg.	145	Little Falls	32	Pompton Lakes	26	Wanaque	109	Passaic	74
Hawthorne	162	Wayne	33	Totowa	47	Haledon	110	Little Falls	91
Ringwood	171	Clifton	40	Paterson	52	Pompton Lakes	118	West Milford	93
Pompton Lakes	200	Paterson	43	State Avg.	54	Wayne	131	State Avg.	122
Wayne	201	Totowa	44	Prospect Park	65	Prospect Park	137	Wayne	125
Woodland Park	240	Prospect Park	50	West Milford	75	Woodland Park	144	Prospect Park	164
Bloomingdale	286	Passaic	66	Woodland Park	76	Clifton	161	Totowa	237
West Milford	286	West Milford	65	Passaic	83	Passaic	188	Woodland Park	255

Department of Community Affairs
Division of Local Government Services
Corrective Action Plan (Comments & Recommendations)
Federal and State Financial Assistance

City of Paterson
County of Passaic
Audit Report Year: June 30, 2014

Finance
James Ten Hoeve, Acting Finance Director

Finding/Condition #2014-02

The City is required by N.J.A.C. 5:30-5.6 to establish and maintain a physical inventory of fixed assets of nonexpendable, tangible property. The reporting system must have a subsidiary ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets. Further, the subsidiary ledger is required to ensure that property records are maintained accurately, to reflect a description and source of the property, its ownership, the acquisition cost and date, the percentage of Federal participation in the acquisition, and the location, use, and condition of the property.

The City's fixed asset listing was not updated during the year under audit. (1) The City's fixed asset inventory system is not in compliance with N.J.A.C. 5:30-5.6, (2) the fixed asset inventory is potentially misstated on the financial statements and (3) the lack of controls over fixed assets increases the possibility of misappropriation of inventory.

The City's fixed asset inventory system relies on manual review of vouchers post-purchase to record additions. Such review was not conducted. Further, no formal disposal policies appear to be followed.

Recommendation:

The City should make certain all physical asset additions and disposals are reflected in the accounting system.

Explanation and Corrective Action:

Action Taken: The City's Office of Internal Audit was charged with (among other things) maintaining the "Fixed Asset Inventory" on excel spreadsheets using $5,000 as the minimum value to be recorded.

The Internal Auditor retired effective June 30, 2014. The division's clerk was transferred to the Assessor's Office along with the divisions other major tasks of billing and receiving P.I.L.O.T payments and overseeing ambulance billing. Files found in the office included a folder marked 2014 "Fixed Assets Inventory" which was assumed to have been updated and complete. It was later discovered by the auditor to be an identical copy of the 2013 inventory apparently not yet updated with Fiscal Year 2014 additions and deletions.

The Finance Department is currently seeking quotes for an independent inventory and tagging of its fixed assets. It is expected to be completed prior to year-end 2016.

New Jersey Department of Community Affairs
Division of Local Government Services
Corrective Action Plan (Comments & Recommendations)
Federal and State Financial Assistance

City of Paterson
County of Passaic
Audit Report Year: June 30, 2014

Department of Community Development
Barbara McClennon, Director

Finding/Condition #2014-03

The Code of Federal Regulations Title 24 Part 91 "24 CFR 91.520 (a)" requires State and local governments that receive Community Development Block Grant funds to submit their Consolidated Annual Performance and Evaluation Report (CAPER) must be submitted to HUD within 90 days after the end of their annual program year.

The City of Paterson did not file their CAPER within the 90 day period. The City has been reminded by HUD of this existing condition in prior years. The CAPER for the year ended June 30, 2014 was submitted 95 days after year end.

Delays in filing may cause corresponding delay in HUD's review and approval of future funding.

Recommendation:

The City should file its annual Consolidated Annual Performance and Evaluation Report within 90 days of year end as required by 24 CFR 91.520.

Explanation and Corrective Action:

Action Taken: The City was granted an extension from HUD and will make every effort in the future to submit all responses on time.

New Jersey Department of Community Affairs
Division of Local Government Services
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Federal and State Financial Assistance

City of Paterson
County of Passaic
Audit Report Year: June 30, 2014

Department of Community Development
Barbara McClennon, Director

Finding/Condition #2014-04

The Code of Federal Regulations Title 24 Part 570 "24 CFR 570.503" requires monitoring of all subrecipients.

Audit review noted six instances in which there was no evidence of subrecipients. The City is non-compliant with 24 CFR 570.503.

Recommendation:

The City should properly monitor all subrecipients of its Community Development Block Grant programs as required by 24 CFR 570.503.

Explanation and Corrective Action:

Action Taken: The CDBG activities have been assigned to a program monitor to review and monitor. As of October 2014, staffing was reduced in the Department due to loss of CDBG grant dollars and will make every effort in the future to monitor all activities more closely.

Department of Community Affairs
Division of Local Government Services
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City of Paterson
County of Passaic
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Department of Community Development
Barbara McClennon, Director

Finding/Condition #2014-05

The Code of Federal Regulations Title 24 Part 92 "24 CFR 92.254(a)(5)" states that properties acquired or rehabilitated with Home-assisted funds must impose resale provision on the property.

Audit review noted two instances in which Home-assisted funds were provided to first-time home buyers and no provision for resale was filed on the property.

The City did not file deed restrictions on the two properties noted. The City is non-compliant with 24 CFR 92.254 (a)(5) and is at risk for possible loss of monies in the event of a future sale or default of the property.

Recommendation:

The City should impose resale provisions on all properties acquired or rehabilitated with Home-assisted funds as required by 24 CFR 92.254.

Explanation and Corrective Action:

Action Taken: The City has filed deed restrictions on the two properties in question which each contain the necessary resale provisions that are required for HOME assisted properties. The audit report was created prior to City receiving the mortgages back from Passaic County Court House, Office of Register Division. The documents have since been returned and are currently placed in the applicant's file.

Department of Community Affairs
Division of Local Government Services
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City of Paterson
County of Passaic
Audit Report Year: June 30, 2014

Department of Community Development
Barbara McClennon, Director

Finding/Condition #2014-06

Home Program grantees are required to ensure that Home Program funds are committed, expended and reported in compliance with Program requirements.

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

The City is potentially liable to reimburse the Home Program for program costs questioned by the US Department of HUD – Office of Inspector General.

Recommendation:

The City should strengthen and implement controls over its Home Program as directed by the US Department of Housing and Urban Development – Office of Inspector General.

Explanation and Corrective Action:

Action Taken: The City is addressing these findings to reduce the amount owed to HUD.