

Annual  
Financial Report

of the

**Union County  
Improvement Authority**

For the Years Ended December 31, 2014 and 2013

Prepared By

Union County Improvement Authority

Finance Department



UNION COUNTY IMPROVEMENT AUTHORITY

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**FINANCIAL SECTION**



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**INDEPENDENT AUDITOR'S REPORT**

Members of the Board  
Union County Improvement Authority  
Rahway, New Jersey 07065

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Union County Improvement Authority, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Authority'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 accounting principles generally accepted in the United States of America; this includes 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 fraud or error.

**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 and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

# SUPLEE, CLOONEY & COMPANY

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Union County Improvement Authority at December 31, 2014 and 2013, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America..

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis identified in the table of contents be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union County Improvement Authority's basic financial statements. The supplementary data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary data schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 directly 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2015 on our consideration of the Union County Improvement Authority's internal control over financial reporting and on 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 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 Union County Improvement Authority's internal control over financial reporting and compliance.

September 25, 2015

A handwritten signature in black ink that reads "Suplee, Clooney & Company". The signature is written in a cursive, flowing style.





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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**

Members of the Board  
Union County Improvement Authority  
Rahway, New Jersey 07065

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the financial statements of Union County Improvement Authority as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Union County Improvement Authority's financial statements, and have issued our report thereon dated September 25, 2015.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 25, 2015

A handwritten signature in black ink that reads "Suplee, Clooney & Company". The signature is written in a cursive, flowing style with a long, sweeping tail on the final word.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Management's Discussion and Analysis** **Unaudited**

In this section of the annual report, management of the Union County Improvement Authority (the "Authority") presents a narrative discussion and analysis of the Authority's financial activities for the years ended December 31, 2014 and 2013. This section of the report should be read in conjunction with the Authority's audited financial statements and supplementary information for the years ended December 31, 2014 and 2013. The Authority's audited financial statements are presented in conformity with U.S. generally accepted accounting principles.

### **Audit Assurance**

The unmodified opinion of our independent auditors, Suplee Clooney & Company is included in this report.

### **Financial Highlights**

Total assets at year-end totaled \$363.0 million and liabilities totaled \$369.5 million.

Operating revenues totaled \$6.3 million which is a decrease of \$584 thousand or 8.5% from the prior year. Primarily from a decrease in rents received from the Renewable Energy Projects. Operating expenditures totaled \$6.6 million which is an increase of 15.6% over prior year expenditures of \$5.7 million.

In 2014, rents received from the Park Madison Project were \$3.7 million, a decrease of \$407 thousand over the prior year's \$4.1 million. Rents received from the Cherry Street building were \$149.6 thousand, unchanged from the prior year. Rents received from the Renewable Energy Projects were \$1.8 million which is a decrease of \$460 thousand over the prior year's \$2.2 million.

Cash and Investments of \$7.2 million increased \$2.8 million from prior year's total of \$4.4 million. The increase primarily represents the funds held in escrow for ongoing projects.

Bonds Payable of \$275.1 million decreased \$15.2 million or 5.2% over prior year's total of \$290.3 million. This net decrease is the result of refunding's, new financing and scheduled retirements.

### **Overview of Annual Financial Report**

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplementary information. The MD&A represents management's examination and analysis of the Authority's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Authority's budget, and bond resolutions and other management tools were used for this analysis.

The financial statements report information about the Authority using full accrual accounting methods as utilized by similar business activities in the private sector. The financial statements include a Statement of Net Position; a Statement of Revenues, Expenses and Changes to Net Position; a Statement of Cash Flows; and notes to the financial statements.

The Statement of Net Position presents the financial position of the Authority on a full accrual historical cost basis. This statement presents information on all of the Authority's assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net assets is one indicator of whether the financial position of the Authority is improving or deteriorating.

While the Statement of Net Position provides information about the nature and amount of resources and obligations at year-end, the Statement of Revenues, Expenses and Changes to Net Position presents the results of the business activities over the course of the fiscal year and information as to how the net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The Statement of Cash Flows presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The Notes to the Financial Statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

### **Summary of Organization and Business**

The Union County Improvement Authority is a public body corporate and politic, organized and existing under the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, as amended and supplemented, and was created by virtue of an ordinance of the Board of Chosen Freeholders of the County of Union, New Jersey, duly adopted June 5, 1986.

The Authority, through its bonding authority, finances major projects and improvements throughout the County of Union, New Jersey. In addition, it provides financing for the lease/purchase of capital assets. The Authority also serves as a Redevelopment Agency for the City of Plainfield in the design and construction of a County and State office building located in downtown Plainfield. This redevelopment area is referred to as Park-Madison.

### **Contacting the Authority's Management**

Any questions about the Authority's report or if additional information is needed, please contact the Executive Director of the Union County Improvement Authority at 1499 Routes 1 and 9 North, Rahway, New Jersey 07065.

### **Bonds Payable**

The Authority issues bonds to finance the major projects and improvements throughout the County of Union, New Jersey. A summary of the Bonds Payable activity for the year is as follows:

Bonds Payable at 12/31/2013	\$ 290,290,692
Bonds Issued	21,555,000
Scheduled Bond Retirements	<u>(36,751,048)</u>
Bonds Payable at 12/31/2014	\$ <u>275,094,644</u>

### **Financial Analysis**

The following comparative condensed financial statements and other selected information serve as key financial data and indicators for management, monitoring and planning:

## Condensed Financial Statements

### Condensed Statement of Net Assets

	December 31,		Variance		2012
	2014	2013	Dollars	%	
<u>Assets</u>					
Current Assets	\$ 10,833,649	\$ 8,232,767	\$ 2,600,882	31.6%	\$ 11,123,906
Lease Payments Receivable	267,916,781	288,631,788	(20,715,007)	-7.2%	289,487,113
Loan Receivable	32,930,000	34,600,000	(1,670,000)	-4.8%	37,170,000
Mortgage Receivable	21,459,643	21,830,692	(371,049)	-1.7%	22,178,885
Other Assets	29,874,978	36,433,100	(6,558,122)	-18.0%	38,100,589
<b>Total Assets</b>	<b>\$ 363,015,051</b>	<b>\$ 389,728,347</b>	<b>\$ (26,713,296)</b>	<b>-6.9%</b>	<b>\$ 398,060,493</b>
<u>Liabilities:</u>					
Current Liabilities	\$ 8,471,465	\$ 8,957,698	\$ (486,233)	-5.4%	\$ 11,674,679
Bonds Payable	275,094,644	290,290,692	(15,196,048)	-5.2%	290,813,885
Non-Current Liabilities	85,881,779	94,791,787	(8,910,008)	-9.4%	98,134,684
<b>Total Liabilities</b>	<b>369,447,888</b>	<b>394,040,176</b>	<b>(24,592,288)</b>	<b>-6.2%</b>	<b>400,623,248</b>
<u>Net Assets</u>					
Invested in Capital Assets, Net of Related Liabilities	(9,451,469)	(7,278,877)	(2,172,592)	29.8%	(6,250,128)
Unrestricted	729,080	768,166	(39,086)	-5.1%	2,084,357
Restricted	2,289,552	2,198,882	90,670	4.1%	1,603,016
<b>Total Net Assets</b>	<b>(6,432,837)</b>	<b>(4,311,830)</b>	<b>(2,121,007)</b>	<b>49.2%</b>	<b>(2,562,755)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 363,015,051</b>	<b>\$ 389,728,347</b>	<b>\$ (26,713,296)</b>	<b>-6.9%</b>	<b>\$ 398,060,493</b>

### Condensed Statement of Revenue, Expenses, and Changes in Net Assets

	December 31,		Variance		2012
	2014	2013	Dollars	%	
Operating Revenues	\$ 6,307,593	\$ 6,891,249	\$ (583,656)	-8.5%	\$ 11,787,021
Operating Expenses	6,586,516	5,699,124	887,392	15.6%	6,821,567
Operating Income/(Loss)	(278,923)	1,192,125	(1,471,048)	123.4%	4,965,454
Non Operating (Revenues) Expenses	(1,842,084)	(2,941,199)	1,099,115	-37.4%	(1,315,475)
Change in Net Assets	(2,121,007)	(1,749,075)	(371,932)	-21.3%	3,649,979
Net Assets, Beginning of Year	(4,311,830)	(2,562,755)	(1,749,075)	68.2%	(6,212,734)
<b>Net Assets, End of Year</b>	<b>\$ (6,432,837)</b>	<b>\$ (4,311,830)</b>	<b>\$ (2,121,007)</b>	<b>49.2%</b>	<b>\$ (2,562,755)</b>

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**BASIC FINANCIAL STATEMENTS**

UNION COUNTY IMPROVEMENT AUTHORITY

STATEMENTS OF NET POSITION  
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 6,440,606	\$ 3,600,947
Accounts Receivable	447,076	461,063
Prepaid Insurance	23,110	23,110
	<hr/>	<hr/>
<u>Total Unrestricted Current Assets</u>	<u>6,910,792</u>	<u>4,085,120</u>
Restricted Assets:		
Cash and Cash Equivalents	729,079	768,165
Accrued Interest Receivable	3,216,888	3,379,482
Minimum Lease Payments Receivable	18,098,913	19,476,313
Loan Receivable	1,780,000	1,670,000
Mortgage Receivable	389,716	371,048
	<hr/>	<hr/>
<u>Total Restricted Current Assets</u>	<u>24,214,596</u>	<u>25,665,008</u>
	<hr/>	<hr/>
<u>Total Current Assets</u>	<u>31,125,388</u>	<u>29,750,128</u>
Noncurrent Assets:		
Minimum Lease Payments Receivable	249,817,868	269,155,475
Loan Receivable	31,150,000	32,930,000
Mortgage Receivable	21,069,927	21,459,644
Development Costs	530,893	3,641,463
Fixed Assets - Net	29,320,975	32,791,637
	<hr/>	<hr/>
<u>Total Noncurrent Assets</u>	<u>331,889,663</u>	<u>359,978,218</u>
	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ 363,015,051</u>	<u>\$ 389,728,347</u>

The accompanying Notes are an integral part of these financial statements.

UNION COUNTY IMPROVEMENT AUTHORITY

STATEMENTS OF NET POSITION  
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>LIABILITIES AND NET POSITION</u>		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable and Accrued Liabilities	\$ 2,274,577	\$ 2,598,215
<u>Total Current Liabilities</u>	<u>2,274,577</u>	<u>2,598,215</u>
Current Liabilities Payable from Restricted Assets:		
Interest Payable - Serial Bonds	3,216,888	3,379,482
Bonds Payable - Current Portion	13,889,716	14,206,048
Unearned Income	8,178,913	8,661,313
Loan Payable	2,980,000	2,980,000
<u>Total Restricted Current Liabilities</u>	<u>28,265,517</u>	<u>29,226,843</u>
<u>Total Current Liabilities</u>	<u>30,540,094</u>	<u>31,825,059</u>
Long-Term Bonds Payable	261,204,928	276,084,644
Unearned Income	77,702,866	86,130,474
<u>Total Liabilities</u>	<u>369,447,888</u>	<u>394,040,176</u>
Net Position:		
Net Investment in Capital Assets	(9,451,469)	(7,278,877)
Restricted	729,080	768,166
Unrestricted	2,289,552	2,198,882
<u>Net Position</u>	<u>(6,432,837)</u>	<u>(4,311,830)</u>
<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>\$ 363,015,051</u>	<u>\$ 389,728,347</u>

The accompanying Notes are an integral part of these financial statements.

UNION COUNTY IMPROVEMENT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Operating Revenues	\$ 738,629	\$ 455,066
Park Madison Rents	3,661,200	4,068,240
Cherry Street Rents	149,575	149,575
Renewable Energy Projects Rents	1,758,189	2,218,368
Operating Expenses	(3,115,854)	(2,325,151)
Depreciation Expense	<u>(3,470,662)</u>	<u>(3,373,973)</u>
Operating Income (Loss)	<u>(278,923)</u>	<u>1,192,125</u>
Nonoperating Revenues (Expenses):		
Interest Income - Restricted	11,599,824	12,201,790
County of Union	246,445	526,864
Interest Income - Unrestricted	573	621
Interest Expense	<u>(13,688,926)</u>	<u>(15,670,474)</u>
Nonoperating Revenues (Expenses), Net	<u>(1,842,084)</u>	<u>(2,941,199)</u>
Net Income (Loss)	(2,121,007)	(1,749,075)
Net Position - Beginning of Year	<u>(4,311,830)</u>	<u>(2,562,755)</u>
Net Position, End of Year	<u>\$ (6,432,837)</u>	<u>\$ (4,311,830)</u>

The accompanying Notes are an integral part of these financial statements.

## UNION COUNTY IMPROVEMENT AUTHORITY

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Receipts from Customers and Users	\$ 5,938,247	\$ 6,843,139
Miscellaneous Receipts	383,333	25,000
Payments to Suppliers	(3,125,092)	(3,831,503)
Payments to Employees	(314,400)	(376,864)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	2,882,088	2,659,772
Cash Flows From Capital and Related Financing Activities:		
Proceeds from Issuing Bonds	21,555,000	38,335,000
Proceeds/(Costs) from Issuing BANS		(990,000)
Payment of Bond Principal	(36,751,048)	(38,858,193)
Interest Paid on Bonds	(13,851,520)	(15,781,477)
County of Union	246,445	526,864
Net Financing Activity	16,956,618	(208,709)
	<hr/>	<hr/>
Net Cash Provided (Used) by Investment Activities	(11,844,505)	(16,976,516)
Cash Flows From Investing Activities:		
Interest Received	11,762,991	12,313,414
Investment in Fixed Assets		(1,067,154)
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	11,762,991	11,246,261
Increase (Decrease) in Cash and Cash Equivalents	2,800,574	(3,070,484)
Cash and Cash Equivalents, Beginning of Year	4,369,111	7,439,595
	<hr/>	<hr/>
Cash and Cash Equivalents, End of Year	<u>\$ 7,169,685</u>	<u>\$ 4,369,111</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by (Used) Operating Activities:		
Operating Income/(Loss)	\$ (278,923)	\$ 1,192,125
Depreciation	3,470,662	3,373,973
Changes in Operating Assets and Liabilities:		
Accounts Receivable	13,987	(267,238)
Prepaid Insurance		(23,110)
Accounts Payable and Accrued Liability	(323,638)	(1,615,977)
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,882,088</u>	<u>\$ 2,659,772</u>

The accompanying Notes are an integral part of these financial statements.

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(1) GENERAL

The Union County Improvement Authority is a public body corporate and politic, organized and existing under the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, as amended and supplemented, and was created by virtue of an ordinance of the Board of Chosen Freeholders of the County of Union, New Jersey, duly adopted June 5, 1986.

The Authority was created for the purpose of financing capital projects for the County of Union and other local governmental units within the County of Union for which the Board of Commissioners of the Authority exercises financial accountability. The Board members are appointed to five-year terms by The Board of Chosen Freeholders. There are no additional entities required to be included in the reporting entity and the Authority is not included in any other reporting entity.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Authority have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the GASB's accounting policies are described below.

Basis of Accounting

The financial statements of the Authority have been prepared on the accrual basis and in accordance with U.S. generally accepted accounting principles applicable to enterprise funds of state and local governments. An Enterprise Fund is used to account for operations: (i) that are financed primarily through user charges, or (ii) where the governing body has decided that determination of net income is appropriate. Revenues are recognized when earned and expenses are recognized when incurred.

The accounting and financial reporting applied by the Authority is determined by its measurement focus. The financial statements are reported using the economic measurement focus and the accrual basis of accounting. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Position. Net Position (totals assets and deferred outflows net of total liabilities and deferred inflows) are segregated into investment in capital assets, restricted and unrestricted components.

Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of the Authority. Non-operating revenues mainly consist of investment income and miscellaneous income. Non-operating expenses mainly consist of debt service interest and debt-related fees.

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue

Revenue is derived from administrative and financing fees. In addition, the Authority receives revenue from rental activity.

Restricted Assets

In accordance with the bond resolutions securing the Authority's various bond issues, the Authority has established various cash and investment accounts with a trustee. These bond resolutions provide and mandate various restrictions on the Authority's revenue and the use of funds in these trustee accounts.

Cash and Cash Equivalents

Cash equivalents are stated at cost which approximates market. The Authority considers all monies in banks and highly liquid investments with maturity dates of less than three months to be cash equivalents

Investments

The Authority's investment policy principally permits the investing of funds in the following types of investments:

Bonds, debentures, notes or other evidences of indebtedness issued by any agency or instrumentality of the United States or by any corporation chartered by the United States to the extent that such obligations are guaranteed by the United States or by another such agency and Defeasance Securities.

Negotiable or nonnegotiable certificates of deposit issued by any bank, trust company, or national banking associations which certificates of deposits shall be continuously secured by obligations described in the first paragraph above.

Deposits in the NJ Cash Management Fund and other deposits defined in the Authority's Bond Resolution.

Accounts Receivable

The Authority considers all accounts receivable to be fully collectible: no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets

Fixed Assets are stated at cost which includes direct construction costs, other expenditures related to construction and net interest expense on tax-exempt borrowings obtained to finance construction projects.

Depreciation is determined on a straight-line basis for all property and equipment. Depreciation is provided over the following estimated useful lives:

Building and improvements	10-15 years
Bond Costs	10 years
Other Equipment	3-5 years
Vehicles	3 years

Details of property, plant and equipment as of December 31, are as follows:

	<u>2014</u>	<u>2013</u>
Land	\$ 1,568,779	\$ 1,568,779
Buildings and Improvements	47,533,021	47,553,021
Office Furniture and Equipment		34,058
Other	<u>                    </u>	<u>92,415</u>
	\$49,121,800	\$49,248,273
Less: Accumulated Depreciation	<u>19,800,825</u>	<u>16,456,636</u>
Net Property, Plant and Equipment	<u>\$29,320,975</u>	<u>\$32,791,637</u>

Depreciation is determined on a straight-line basis over various economic lives, which are fixed by management.

Minimum Lease Payments Receivable

Minimum lease payments receivable are to be received in an amount equal to annual debt service of the Authority until the interest on and the principal of the bonds is fully paid. The lease is accounted for as a direct financing lease.



UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 those estimates.

Unearned Income

The leases are accounted for as direct financing leases. Accordingly, the future interest payments on the bonds issued to cover the cost of the lease property is recorded as unearned income. The revenue is amortized over the lease term at a rate equal to interest expense.

Net Position

Equity is classified as net position and displayed in four components:

- 1) Invested in Capital Assets - consists of capital asset investments reduced by the outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted - when constraints placed on net position are either a) externally imposed by creditors (such as the bond resolution), grantors, or laws or regulations of other governments or b) imposed by law.
- 3) Unrestricted - any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vacation and Sick Leave

The Authority accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

Authority employees are granted varying amounts of vacation and sick leave in accordance with the Authority's personnel policies. Upon termination, employees are paid for accrued vacation. The Authority's policy permits employees to accumulate unused sick leave and carry forward the full amount of subsequent years. Upon retirement employees shall be paid by the Authority for the unused sick leave in accordance with the Authority's personnel policies.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave and vacation days that are expected to become eligible for payment upon termination. The Authority estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the financial statement date by those employees who are currently eligible to receive termination payments.

Based upon the Authority's policies regarding vacation and sick leave, there was an accrued liability of \$37,442 and \$8,048 at December 31, 2014 and 2013, respectively.

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension Plan

All employees participate in the Public Employees' Retirement System (PERS). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges the Authority annually for its respective contributions. The plan does not maintain separate records for each Authority in the State and, therefore, the actuarial data for the Authority is not available.

The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each Authority in the state and, therefore, the actual data for the Authority is not available. The division of pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State Statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, the PERS may bill the Authority annually at an actuarially determinable rate for its required contribution. The current required employee contribution rate is 6.92% in 2014 and 6.78% in 2013 of base salary.

The contribution requirements of plan members and the Authority are established and may be amended by the PERS Board of Trustees.

Income Taxes

No provision for income taxes has been made as the Authority is exempt from Federal and State income taxes.

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

In accordance with the Bond Resolution related to certain debt obligations of the Authority, the Authority established a Construction Fund in which may be deposited the proceeds of Bonds or Notes issued to finance the costs of capital projects. The Authority shall apply the amounts on deposit in the Construction Fund for the payment of costs related to capital facilities. The Authority may also apply the balance on deposit in the Construction Fund for the payment of the principal or redemption price of or interest on its Bonds, as defined. Interest earned on Bond proceeds held by the Authority to fund construction projects in progress is applied as an offset to interest expense capitalized during the construction period.

In addition to the Construction Fund, the Authority established the following Special funds:

<u>FUND</u>	<u>AMOUNT</u>	<u>USE FOR WHICH RESTRICTED</u>
Vacancy Fund	Amount needed to equal the Series Vacancy Required Reserve on the initial Bond from the proceeds of the Bonds (as defined in the bond resolution).	Deficiencies in the Debt Service Fund.
Debt Service	Amount needed to equal the Debt Service Requirement (as defined in the bond resolution).	Debt obligations.
Debt Service Reserve	Amount needed to increase the balance to equal the Debt Reserve Requirement (as defined in the bond resolution).	Compliance with a Supplemental Resolution or Series Certificate, if any.
Project Fund	Proceeds received from issuance of the 2011 Series Bonds and any Series of Additional Bonds issued for a Completion Project.	Trustee shall make payments from the Project Fund for costs of the Renewable Energy Projects and Capital Improvement Projects for the Local Units.

The Debt Service Fund, Debt Service Reserve Fund, Vacancy Fund and the Project Fund shall be held by the Trustee.

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(3) BUDGETARY PROCEDURES

The Authority follows these procedures in establishing the Operating Fund budget:

The annual budget for each fiscal year of the Authority is introduced by resolution passed by not less than a majority of the governing body. Copies are submitted to the Director of the Division of Local Government Services Director prior to the beginning of the Authority's fiscal year for approval prior to its adoption.

The budget must comply with the terms and provisions of any security agreements, and is to be in such form and detail as to items of revenue, expenses and other contents as required by law or by rules and regulations of the Local Finance Board.

No authority budget can be finally adopted until the Director has approved the budget. Public hearings are conducted to obtain citizen comments on the proposed budget.

Operating expense appropriations lapse at the close of the fiscal year to the extent that they have not been expended. The level at which expenditures cannot exceed the budget is at the total budget level.

The budget may be increased after adoption when an item of revenue has been made available after the adoption date.

(4) CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents, at December 31, are summarized as follows:

	<u>2014</u>	<u>2013</u>
Unrestricted Cash	\$ <u>6,440,606</u>	\$ <u>3,600,947</u>
Restricted Cash	\$ <u>729,079</u>	\$ <u>768,165</u>

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund (SAIF), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes permit the deposit of public funds only in banks which meet the requirements of the Governmental Unit Deposit Protection Act or the State of New Jersey Cash Management Fund. This Act, commonly referred to as "GUDPA", requires that banks which accept public funds to be a public depository. The statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits.

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(4) CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Authority does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2014, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk.

(5) LEASE AGREEMENTS

In 1998, the Authority has entered into an agreement with the City of Linden which:

- A. Leases the parcels of land owned by the City to the Authority, upon which the Authority will construct the airport project.
- B. Leases the project to the City. The lease requires the City to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the City will pay the Authority administrative fees incurred by the Authority.

In 2010, the Authority refunded the 1998B bonds through the exercise of a forward contract. The refunding had no effect on the debt service payments on maturity date.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the City. The City is responsible for all operating, maintenance and repair of the project upon completion of construction.

Total Minimum Lease Payments to be Received	\$6,483,250
Estimated Residual Value	<u>- 0 -</u>
	\$6,483,250
Less: Unearned Income	<u>2,483,250</u>
Net Investment in Direct Financing Leases	<u>\$4,000,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$200,000
2016	\$200,000
2017	\$200,000
2018	\$200,000
2019	\$200,000

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2002, the Authority entered into an agreement with the City of Elizabeth which:

Lease the acquired Sewer System to the City of Elizabeth. The lease requires the City of Elizabeth to pay to the Authority a "Basic" annual rent equal to the debt service on the bonds outstanding. As additional rent, the City of Elizabeth will pay the Authority administrative fees incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Sewer System will revert back to the City of Elizabeth. The City of Elizabeth is responsible for the operating, maintenance and repair of the equipment during the term of the lease.

Total Minimum Lease Payments to be Received	\$15,011,354
Estimated Residual Value	<u>- 0 -</u>
	\$15,011,354
Less: Unearned Income	<u>3,356,354</u>
Net Investment in Direct Financing Leases	<u>\$11,655,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$1,885,712
2016	\$1,881,862
2017	\$1,882,700
2018	\$1,877,894
2019	\$1,877,112

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2003, the Authority has entered into an agreement with the Township of Union which:

- A. Leases premises owned by the Township to the Authority.
- B. Sub-Lets these premises to the Township. The Sub-Lease requires the Commission to pay an annual rental which is equal to the debt service on all project bonds outstanding.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. Concurrently, the Authority has issued a one year note for this project in 2003. The Township is responsible for all operating, maintenance and repair of the project upon completion of construction.

Total Minimum Lease Payments to be Received	\$4,060,490
Estimated Residual Value	<u>- 0 -</u>
	\$4,060,490
Less: Unearned Income	<u>885,490</u>
Net Investment in Direct Financing Leases	<u>\$3,175,000</u>

Lease payments to be received over the next five year are as follows:

2015	\$453,113
2016	\$451,463
2017	\$450,153
2018	\$449,175
2019	\$451,850



UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2004, the Authority entered into an agreement with the City of Plainfield, the Borough of Roselle, the Townships of Union and Hillside ("The Local Units") which:

Lease certain items of equipment to the Local Units. The leases require the Local Units to pay to the Authority a "Basic" annual rent equal to the debt service on the bonds outstanding. As additional rent, the Local Units will pay the Authority administrative fees incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Local Units will surrender the equipment to the Authority. The Local Units are responsible for all operating, maintenance and repair of the equipment during the term of the lease.

Total Minimum Lease Payments to be Received	\$565,125
Estimated Residual Value	<u>- 0 -</u>
	\$565,125
Less: Unearned Income	<u>60,125</u>
Net Investment in Direct Financing Leases	<u>\$505,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$119,575
2016	\$115,950
2017	\$112,200
2018	\$108,200
2019	\$109,200

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2004, the Authority entered into an agreement with the County of Union which:

Refinances the existing Correctional Facility Project bonds and extends the lease term as such. The lease requires the County to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the County will pay the Authority an annual administrative fee and actual legal and accounting expenses incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the County. The County is responsible for all operating, maintenance and repair of the Facility during the term of the lease.

Total Minimum Lease Payments to be Received	\$366,525
Estimated Residual Value	<u>- 0 -</u>
	\$366,525
Less: Unearned Income	<u>6,525</u>
Net Investment in Direct Financing Leases	<u>\$360,000</u>

Lease payments to be received over the next year are as follows:

2015	\$366,525
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UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2004, the Authority has entered into an agreement with the City of Linden which:

Provides funds to pay the cost associated with the acquisition, renovation and construction of the Theater located in the City of Linden, New Jersey. The lease requires the City of Linden to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the City of Linden will pay the Authority an annual administrative fee and actual legal and accounting expenses incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the City of Linden. The City of Linden is responsible for all operating, maintenance and repair of the Facility during the term of the lease.

Total Minimum Lease Payments to be Received	\$2,485,472
Estimated Residual Value	<u>- 0 -</u>
	\$2,485,472
Less: Unearned Income	<u>585,472</u>
Net Investment in Direct Financing Leases	<u>\$1,900,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$223,952
2016	\$227,040
2017	\$224,744
2018	\$227,064
2019	\$224,000

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2005, the Authority entered into an agreement with the County of Union which:

Provide funding to pay the costs for the completion of the Juvenile Detention Center Project in the City of Linden, New Jersey. The lease requires the County to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the County will pay the Authority an annual administrative fee and actual legal and accounting expenses incurred by the Authority.

In 2012, the Authority refunded the bonds through the exercise of a forward contract. The refunding had no effect on the debt service payments, maturity date or agreement with the County of Union.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the County. The County is responsible for all operating, maintenance and repair of the Facility during the term of the lease.

Total Minimum Lease Payments to be Received	\$41,722,495
Estimated Residual Value	<u>- 0 -</u>
	\$41,722,495
Less: Unearned Income	<u>16,277,495</u>
Net Investment in Direct Financing Leases	<u>\$25,445,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$2,043,768
2016	\$2,041,515
2017	\$2,042,287
2018	\$2,040,300
2019	\$2,036,100

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2005, the Authority entered into an agreement with the County of Union which:

Provides funds to pay the cost of the acquisition of approximately one acre of land located in the Township of Union, New Jersey and an approximately 11,000 square foot structure thereon and the renovation of such structure for use as a County Prosecutor's Office. The lease requires the County to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the County will pay the Authority an annual administrative fee and actual legal and accounting expenses incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the County. The County is responsible for all operating, maintenance and repair of the Facility during the term of the lease.

Total Minimum Lease Payments to be Received	\$1,719,412
Estimated Residual Value	<u>- 0 -</u>
	\$1,719,412
Less: Unearned Income	<u>189,412</u>
Net Investment in Direct Financing Leases	<u>\$1,530,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$285,712
2016	\$286,900
2017	\$287,400
2018	\$287,200
2019	\$286,600

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2005, the Authority entered into an agreement with the City of Linden which:

Provides funds to pay the costs associated with the renovation, construction and/or acquisition of certain capital improvements and the acquisition of certain capital equipment all related to an existing public library located in the City of Linden, New Jersey. The lease requires the City to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the City will pay the Authority an annual administrative fee and actual legal and accounting expenses incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the City. The City is responsible for all operating, maintenance and repair of the Facility during the term of the lease.

Total Minimum Lease Payments to be Received	\$3,195,438
Estimated Residual Value	<u>- 0 -</u>
	\$3,195,438
Less: Unearned Income	<u>1,120,438</u>
Net Investment in Direct Financing Leases	<u>\$2,075,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$150,813
2016	\$153,266
2017	\$155,312
2018	\$152,250
2019	\$154,078

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2005, the Authority entered into an agreement with the City of Linden which:

Provides funds to the City of Linden, New Jersey for renovation and expansion of the City of Linden Board of Education's football and track and field stadium upon property on which the current football and track and field facility are constructed. The lease requires the City of Linden Board of Education to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the Board of Education will pay the Authority an annual administrative fee and actual legal and accounting expenses incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the Board of Education. The Board of Education is responsible for all operating, maintenance and repair of the Facility during the term of the lease.

Total Minimum Lease Payments to be Received	\$4,754,537
Estimated Residual Value	<u>- 0 -</u>
	\$4,754,537
Less: Unearned Income	<u>1,344,537</u>
Net Investment in Direct Financing Leases	<u>\$3,410,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$300,984
2016	\$299,581
2017	\$297,675
2018	\$300,450
2019	\$297,906

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2006, the Authority entered into an agreement with the City of Linden which:

Provides funds to pay the costs associated with the renovation, construction and/or acquisition of certain capital improvements and the acquisition of certain capital equipment all related to existing firehouses located in the City of Linden, New Jersey. The lease requires the City to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the City will pay the Authority an annual administrative fee and actual legal and accounting expenses incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the City of Linden. The City of Linden is responsible for all operating, maintenance and repair of the Facility during the term of the lease.

Total Minimum Lease Payments to be Received	\$24,601,155
Estimated Residual Value	<u>- 0 -</u>
	\$24,601,155
Less: Unearned Income	<u>6,081,155</u>
Net Investment in Direct Financing Leases	<u>\$18,520,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$1,564,943
2016	\$1,959,942
2017	\$1,901,193
2018	\$2,037,442
2019	\$2,093,943



UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2006, the Authority entered into an agreement with the City of Plainfield, the Borough of Fanwood, the Townships of Union and Hillside ("The Local Units") which:

Lease certain items of equipment to the Local Units. The leases require the Local Units to pay to the Authority a "Basic" annual rent equal to the debt service on the bonds outstanding. As additional rent, the Local Units will pay the Authority administrative fees incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Local Units will surrender the equipment to the Authority. The Local Units are responsible for all operating, maintenance and repair of the equipment during the term of the lease.

Total Minimum Lease Payments to be Received	\$3,429,600
Estimated Residual Value	<u>- 0 -</u>
	\$3,429,600
Less: Unearned Income	<u>429,600</u>
Net Investment in Direct Financing Leases	<u>\$3,000,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$730,000
2016	\$705,600
2017	\$426,200
2018	\$412,000
2019	\$397,800

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2006, the Authority entered into an agreement with Union County College (the College) which:

- A. Leases premises owned by the College to the Authority.
- B. Sub-Lets these premises to the College. The Sub-Lease requires the College to pay an annual rental which is equal to the debt service on all project bonds outstanding.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the College. The College is responsible for all operating, maintenance and repair of the project upon completion of construction.

In 2014, the College partially refinanced the existing bonds and extended the lease term as such.

Total Minimum Lease Payments to be Received	\$6,839,875
Estimated Residual Value	<u>- 0 -</u>
	\$6,839,875
Less: Unearned Income	<u>264,875</u>
Net Investment in Direct Financing Leases	<u>\$6,575,000</u>

Lease payments to be received over the next two years are as follows:

2015	\$3,422,875
2016	\$3,417,000

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2007, the Authority entered into an agreement with the City of Linden which:

Provides funds to pay the costs associated with the renovation, construction and/or acquisition of certain capital improvements and the acquisition of certain capital equipment all related to an existing public library located in the City of Linden, New Jersey. The lease requires the City to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the City will pay the Authority an annual administrative fee and actual legal and accounting expenses incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the City. The City is responsible for all operating, maintenance and repair of the Facility during the term of the lease.

Total Minimum Lease Payments to be Received	\$6,903,206
Estimated Residual Value	<u>- 0 -</u>
	\$6,903,206
Less: Unearned Income	<u>1,703,206</u>
Net Investment in Direct Financing Leases	<u>\$5,200,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$543,150
2016	\$586,525
2017	\$568,275
2018	\$555,025
2019	\$560,225

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2010, the Authority entered into an agreement with the County of Union:

Provides funds to pay the costs associated with the renovation, construction and/or acquisition of the Child Advocacy Center. The lease requires the County to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the County will pay the Authority an annual administrative fee and actual legal and accounting expenses incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the County. The County is responsible for all operating, maintenance and repair of the Facility during the term of the lease.

Total Minimum Lease Payments to be Received	\$2,466,975
Estimated Residual Value	<u>- 0 -</u>
	\$2,466,975
Less: Unearned Income	<u>466,975</u>
Net Investment in Direct Financing Leases	<u>\$2,000,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$223,375
2016	\$224,500
2017	\$225,500
2018	\$225,550
2019	\$225,450

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2010, the Authority refunded the 1998B bonds through the exercise of a forward contract. The refunding had no effect on the debt service payments, maturity date or agreement with the City of Linden which:

- A. Leases the parcels of land owned by the City to the Authority, upon which the Authority will construct the airport project.
- B. Leases the project to the City. The lease requires the City to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the City will pay the Authority administrative fees incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the City. The City is responsible for all operating, maintenance and repair of the project upon completion of construction.

Total Minimum Lease Payments to be Received	\$12,466,520
Estimated Residual Value	<u>- 0 -</u>
	\$12,466,520
Less: Unearned Income	<u>3,571,520</u>
Net Investment in Direct Financing Leases	<u>\$ 8,895,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$1,155,920
2016	\$1,155,990
2017	\$1,153,420
2018	\$1,153,045
2019	\$1,154,345

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2012, the Authority refunded the 2002 bonds. The refunding had no effect on the existing agreement with the County of Union which:

Refinances the existing Correctional Facility Project bonds and extends the lease term as such. The lease requires the County to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the County will pay the Authority an annual administrative fee and actual legal and accounting expenses incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the County. The County is responsible for all operating, maintenance and repair of the Facility during the term of the lease.

Total Minimum Lease Payments to be Received	\$3,464,000
Estimated Residual Value	<u>- 0 -</u>
	\$3,464,000
Less: Unearned Income	<u>384,000</u>
Net Investment in Direct Financing Leases	<u>\$3,080,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$432,225
2016	\$431,725
2017	\$435,850
2018	\$434,600
2019	\$433,050

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2012, the Authority entered into an agreement with the County of Union which:

Provide funding to pay the costs for the planning, design, undertaking, construction and equipping of a new Family Court building and parking deck in the City of Elizabeth, New Jersey. The lease requires the County to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the County will pay the Authority an annual administrative fee and actual legal and accounting expenses incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the County. The County is responsible for all operating, maintenance and repair of the Facility during the term of the lease.

Total Minimum Lease Payments to be Received	\$78,973,363
Estimated Residual Value	<u>- 0 -</u>
	\$78,973,363
Less: Unearned Income	<u>35,848,363</u>
Net Investment in Direct Financing Leases	<u>\$43,125,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$1,742,038
2016	\$1,742,037
2017	\$1,742,038
2018	\$1,742,037
2019	\$1,742,038

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2013, the Authority entered into an agreement with Union County College (the College) which:

- A. Leases premises owned by the College to the Authority.
- B. Sub-Lets these premises to the College. The Sub-Lease requires the College to pay an annual rental which is equal to the debt service on all project bonds outstanding.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the College. The College is responsible for all operating, maintenance and repair of the project upon completion of construction.

Total Minimum Lease Payments to be Received	\$17,604,176
Estimated Residual Value	<u>- 0 -</u>
	\$17,604,176
Less: Unearned Income	<u>4,724,176</u>
Net Investment in Direct Financing Leases	<u>\$12,880,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$ 786,883
2016	\$1,071,382
2017	\$1,062,383
2018	\$1,053,107
2019	\$1,053,558



UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2013, the Authority refunded the 2003 bonds. The refunding had no effect on the existing agreement with the County of Union which:

Refinances the existing Correctional Facility Project bonds and extends the lease term as such. The lease requires the County to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. As additional rent, the County will pay the Authority an annual administrative fee and actual legal and accounting expenses incurred by the Authority.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the County. The County is responsible for all operating, maintenance and repair of the Facility during the term of the lease.

Total Minimum Lease Payments to be Received	\$3,652,925
Estimated Residual Value	<u>- 0 -</u>
	\$3,652,925
Less: Unearned Income	<u>502,925</u>
Net Investment in Direct Financing Leases	<u>\$3,150,000</u>

Lease payments to be received over the next five years are as follows:

2015	\$410,900
2016	\$407,950
2017	\$408,200
2018	\$408,150
2018	\$402,875

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(5) LEASE AGREEMENTS (CONTINUED)

In 2014, the Authority entered into an agreement with Union County College (the College) which:

- A. Leases premises owned by the College to the Authority.
- B. Sub-Lets these premises to the College. The Sub-Lease requires the College to pay an annual rental which is equal to the debt service on all project bonds outstanding.

The term of the lease commenced with the issuance of the bonds and will terminate upon retirement of the bonds. At that time, the Authority will surrender the project to the College. The College is responsible for all operating, maintenance and repair of the project upon completion of construction.

Total Minimum Lease Payments to be Received	\$27,150,888
Estimated Residual Value	<u>- 0 -</u>
	\$27,150,888
Less: Unearned Income	<u>5,595,888</u>
Net Investment in Direct Financing Leases	<u>\$21,555,000</u>

Lease payments to be received over the next two years are as follows:

2015	\$1,056,213
2016	\$ 968,200
2017	\$4,230,200
2018	\$4,230,375
2019	\$4,218,775

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(6) MORTGAGE RECEIVABLE

- A. In 2003, the Authority loaned \$1,660,000 to the Borough of Roselle for the acquisition of certain rental property.

This mortgage is guaranteed by the County of Union. The County of Union holds an interest in the property as consideration for the loan. The balance of this receivable at December 31, 2014 and 2013 is \$1,275,000 and \$1,315,000, respectively.

- B. In 2005, the Authority loaned \$14,620,000 to the Borough of Roselle for the acquisition of certain rental property.

This mortgage is guaranteed by the County of Union. The County of Union holds an interest in the property as consideration for the loan. The balance of this receivable at December 31, 2014 and 2013 is \$13,184,644 and \$13,400,692, respectively.

- C. In 2008, the Authority loaned \$7,500,000 to the African American Fund of New Jersey – Plainfield Project for the acquisition, construction and improvement of School Facilities.

This mortgage is guaranteed by the BUF Health and Human Services Corporation Inc. a not-for-profit Corporation of the State. The BUF Health and Human Services Corporation Inc. holds an interest in the property as consideration for the loan. The balance of this receivable at December 31, 2014 and 2013 is \$7,000,000 and \$7,115,000, respectively.

(7) LOAN RECEIVABLE

- A. In 2003, the Authority loaned \$17,730,000 to several Entities to retire the present value of the unfunded accrued liabilities for early retirement incentive (ERI) benefits. The balance of this loan at December 31, 2014 and 2013 is \$6,505,000 and \$7,795,000, respectively.

In exchange for the loan, the Authority purchased each Entity's General Obligation Refunding Bond. Principal and interest payments on each Entity's Refunding Bond will satisfy the repayment of the loan by the Authority.

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(7) LOAN RECEIVABLE (CONTINUED)

- B. In 2003, the Authority loaned \$1,710,000 to the Police Athletic League, Inc. of Linden, New Jersey, a not-for-profit corporation, for the razing of an existing building and the construction of a new building to be used for recreational purposes. The balance of this loan at December 31, 2014 and 2013 is \$1,030,000 and \$1,110,000, respectively.

This loan is payable at a fixed rate of interest as required per the loan amortization schedule. This loan is guaranteed by the City of Linden. The City of Linden holds an interest in the property.

- C. In 2004, the Authority loaned \$3,500,000 to the City of Linden, New Jersey, for the razing of an existing building and the construction of new buildings on South Wood Avenue. The balance of this loan at December 31, 2014 and 2013 is \$2,855,000 and \$2,935,000, respectively.

This loan is payable at a fixed rate of interest as required per the loan amortization schedule. This loan is guaranteed by the City of Linden. The City of Linden holds an interest in the property.

- D. In 2007, the Authority loaned \$5,000,000 to the City of Linden, New Jersey, for the razing of an existing building and the construction of new buildings on St. Georges Avenue, Morningstar Redevelopment Project. The balance of this loan at December 31, 2014 and 2013 is \$3,845,000 and \$4,065,000, respectively.

This loan is payable at a fixed rate of interest as required per the loan amortization schedule. This loan is guaranteed by the City of Linden. The City of Linden holds an interest in the property.

- E. In 2010, the Authority loaned \$18,695,000 to CIS Oakwood, LLC of the City of Elizabeth, New Jersey, to refinance the Series 2009 loan used for the acquisition and renovation existing facilities and the construction of new senior and family rental housing on Irvington Avenue, Oakwood Plaza-Elizabeth Project. The balance of this loan at December 31, 2014 and 2013 is \$18,695,000 and \$18,695,000, respectively.

This loan is payable at a fixed rate of interest as required per the loan amortization schedule. This loan is guaranteed by the County of Union.

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(8) RENTAL PROPERTIES

The Authority has developed certain real estate (Park Madison) in the City of Plainfield, New Jersey. The project is complete and the Authority is leasing the office space to both retail and corporate entities. Leases range from one to ten years. In 2013, the Authority refunded the 2003A bonds through the exercise of a forward contract. The refunding had no effect on the debt service payments or maturity date. The balance of the outstanding bonds at December 31, 2014 and 2013 is \$26,100,000 and \$26,305,000, respectively. Rental revenue at December 31, 2014 and 2013 is \$3,661,200 and \$4,068,240, respectively.

The Authority has developed certain real estate (10 Cherry Street) in the City of Elizabeth, New Jersey. In 2012, the Authority entered into an Inter-local Services Agreement amending the lease agreement whereas the County will demolish the building and develop the Union County Family Court Building. The balance of the outstanding bonds at December 31, 2014 and 2013 is \$425,000 and \$555,000, respectively. Rental revenue at December 31, 2014 and 2013 is \$149,575 and \$149,575, respectively.

The Authority has developed certain renewable energy projects in the County of Union, New Jersey. The projects are complete and the Authority is leasing the projects back to the participants. In 2013, Tioga Energy Inc., the developer that installed and maintained the Projects ran out of money. Until a new developer is found, the County of Union guarantees the bonds and is responsible for any debt service not covered by the solar renewable energy certificate revenue. The balance of the outstanding bonds at December 31, 2014 and 2013 is \$12,145,000 and \$13,160,000, respectively. Rental revenue at December 31, 2014 and 2013 is \$1,758,189 and \$2,218,368, respectively.

(9) DEVELOPMENT COSTS

The Authority has incurred costs for the development of several projects. At December 31, 2014 and 2013 was \$530,893 and \$3,641,464 of the costs has been capitalized, respectively.

(10) SUPPLEMENTARY CASH FLOW INFORMATION

Interest paid in the years ended December 31, 2014 and 2013, amounted to \$13,647,221 and \$16,966,834, respectively.

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(11) BONDS PAYABLE

The Authority has issued various bonds for capital purposes. Principal payments due on the bonds are as follows:

2015	\$13,889,716
2016	\$14,759,249
2017	\$14,764,701
2018	\$15,346,130
2019	\$14,838,599
Thereafter	<u>\$201,496,249</u>
	<u>\$275,094,644</u>

(12) BOND ANTICIPATION NOTES

In 2010, the Authority issued \$1,000,000 in Bond Anticipation Notes to provide a loan to the City of Linden. The note is payable at a fixed rate of interest as required per the loan amortization schedule. This loan is guaranteed by the City of Linden.

In 2011, the Authority refinanced the \$1,000,000 Bond Anticipation. The note is payable at a fixed rate of interest as required per the loan amortization schedule. This loan is guaranteed by the City of Linden.

In 2012, the Authority refinanced \$990,000 of the 2011 Bond Anticipation. The note is payable at a fixed rate of interest as required per the loan amortization schedule. This loan is guaranteed by the City of Linden.

In June 2013, the Authority refinanced \$990,000 of the 2012 Bond Anticipation. The note is payable at a fixed rate of interest as required per the loan amortization schedule. This loan is guaranteed by the City of Linden. The note was repaid in August 2013.

(13) LOAN PAYABLE

The Authority has obtained an interest free loan from the County of Union to provide funding for the development of several projects. As these projects are completed and the Authority begins generating revenues from these projects, the loan will be repaid. At December 31, 2014 and 2013, this loan balance was \$2,980,000.00 and \$2,980,000.00 respectively.

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(14) CONDUIT (NO-COMMITMENT DEBT)

In December 2011, the Authority issued \$44,499,000 in Recovery Zone Facility Bonds to provide financial assistance to the Elberon/Wakefern Warehouse Project for the demolition and construction of a new warehouse in the City of Elizabeth, County of Union, New Jersey. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loan. Upon repayment of the bonds, ownership of the acquired warehouse transfers to Elberon Elizabeth Urban Renewal, LLC. Neither the Authority, the State, the County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

(15) GROUND LEASE

The Authority entered into a ground lease agreement with AST Development Corporation on a parcel of land attached to other property owned by the Authority, known as "Park-Madison", in which the Corporation is obligated to pay the Authority \$1,000 per month for fifty years. At the end of the fifty years, the Corporation has the option to extend the ground lease an additional twenty-five years, at which time, the ground lease payments would increase to \$2,000 per month. The Corporation is responsible for all construction and financing of the property, as well as, for the payment of property taxes, insurance, utilities, repairs, improvements and maintenance costs.

(16) ADVANCE REFUNDING

In 1992, the Authority issued \$35,891,556.90 of Revenue Refunding Bonds (Correctional Facility Project, Series 1992), for the purpose of advance refunding a portion of the 1987 bonds. The proceeds of this issue were used to establish an Irrevocable Escrow Account to pay the principal and interest on the 1987 bonds as they become due.

The portions of the 1987 bonds that are to be paid from this escrow are not reflected in these statements due to the creation of this Irrevocable Escrow Account.

In 1999, the Plainfield Board of Education advance refunded \$28,185,000 of its 1997 Bond issue. The proceeds of this issue were used to establish an Irrevocable Escrow Account to pay the principal and interest on the 1997 Bonds as they become due.

The portions of the 1997 Bonds that are to be paid from this escrow are not reflected in these statements due to the creation of this Irrevocable Escrow Account.

UNION COUNTY IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(17) SHARED SERVICES AGREEMENT

In August 2013, the Authority entered into a six month Shared Services Agreement with the Union County Utilities Authority. The terms of the Agreement require the Union County Improvement Authority to pay the Union County Utilities Authority a sum of \$15,000 per month for Executive Director Services, Office Space and Staff Services. The Agreement was renewed for an addition six month term in 2014. The amount expensed under this Agreement, at December 31, 2014 and 2013 were \$91,702 and \$60,000, respectively.

(18) SUBSEQUENT EVENTS

The Authority has evaluated subsequent events occurring after the financial statement date through September 25, 2015, which is the date the financial statements were available to be issued. Based on this evaluation, the Authority has determined that no subsequent events have occurred which require disclosure in the financial statements.

(19) LITIGATION, CLAIMS, COMMITMENTS AND CONTINGENCIES

In the ordinary conduct of its business, the Authority may be a party to litigation. At December 31, 2014, in the opinion of management based upon consultation with legal counsel, there were no matters pending or threatened which would have a material adverse effect on the financial position of the Authority.



**SUPPLEMENTARY INFORMATION**

UNION COUNTY IMPROVEMENT AUTHORITY

SCHEDULE OF REVENUE, EXPENSES AND CHANGES  
IN NET POSITION - RESTRICTED AND UNRESTRICTED  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>TOTAL</u>	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>
Balance, January 1, 2014	\$ (4,311,829)	\$ 2,198,882	\$ (6,510,711)
Revenue:			
Administrative Fees	305,296	305,296	
Issuance Fees	50,000	50,000	
Ground Lease Income	12,000	12,000	
Park Madison Rent	3,661,200	2,138,327	1,522,873
Cherry Street Rent	149,575	149,575	
Renewable Energy Projects Rent	1,758,189		1,758,189
County of Union	246,445	246,445	
Miscellaneous Income	383,333	383,333	
Interest Income	11,600,397	505	11,599,892
<u>Total Revenue</u>	<u>18,166,435</u>	<u>3,285,481</u>	<u>14,880,954</u>
Expenses:			
Salary and Related Fringe	284,928	284,928	
Provision for Compensated Absences	29,394	29,394	
Park Madison Expenses	3,674,024	2,356,151	1,317,873
Cherry Street Expenses	19,575	19,575	
Renewable Energy Expenses	526,631		526,631
Professional Services	222,220	222,220	
Other Operating Expenses	235,162	204,473	30,689
Interest Expense	11,824,847		11,824,847
Depreciation Expense	3,470,662	78,070	3,392,592
<u>Total Expenses</u>	<u>20,287,443</u>	<u>3,194,811</u>	<u>17,092,632</u>
Balance, December 31, 2014	<u>\$ (6,432,837)</u>	<u>\$ 2,289,552</u>	<u>\$ (8,722,389)</u>

UNION COUNTY IMPROVEMENT AUTHORITY

SCHEDULE OF OPERATING REVENUES AND COSTS  
 FUNDED BY OPERATING REVENUES COMPARED TO  
 BUDGET FOR THE YEAR ENDED DECEMBER 31, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013

	<u>2014</u> <u>BUDGET</u>	<u>2014</u> <u>ACTUAL</u>	<u>2013</u> <u>ACTUAL</u>
Revenues:			
Administrative Fees	\$ 325,000	\$ 305,296	\$ 318,066
Issuance Fees	100,000	50,000	100,000
Lease and Principal and Interest Payments	30,420,624	47,171,931	50,127,568
Park Madison Rents	2,817,873	3,661,200	4,068,240
Renewable Energy	526,631	1,758,189	2,218,368
Cherry Street Rents	19,600	149,575	149,575
Ground Lease Income	12,000	12,000	12,000
County of Union	600,000	246,445	526,864
Interest Income	1,000	505	544
Other Income	1,000	383,333	25,000
<u>TOTAL REVENUES</u>	<u>\$ 34,823,728</u>	<u>\$ 53,738,474</u>	<u>\$ 57,546,224</u>
Costs:			
Operating Expenses:			
Salary and Related Fringe	\$ 225,350	\$ 314,321	\$ 376,864
Legal Counsel	350,000	148,021	157,482
Audit and Accounting	40,000	33,950	36,950
Consulting	35,000	40,249	21,100
Office Expense	1,150	710	3,458
Legal Advertising, Dues, Seminars, Public Relations	5,000	3,610	9,105
Telephone	5,000	870	2,346
Trustee Fees	7,500	5,500	4,500
Computer	1,000		
Insurance	80,000	91,702	87,616
Shared Services Agreement Union County Utilities Authority		91,702	60,000
Park Madison Expense	2,829,873	3,674,024	2,550,982
Renewable Energy Expense	526,631	526,631	1,557,972
Cherry Street	19,600	19,575	24,575
Miscellaneous	2,000		
<u>TOTAL OPERATING EXPENSES</u>	<u>4,128,104</u>	<u>4,950,865</u>	<u>4,892,949</u>
Debt Service:			
Principal on Bonds	15,151,048	36,751,048	38,858,193
Interest on Bonds	15,269,576	11,824,847	10,582,061
<u>TOTAL DEBT SERVICE</u>	<u>30,420,624</u>	<u>48,575,895</u>	<u>49,440,254</u>
<u>TOTAL COSTS</u>	<u>\$ 34,548,728</u>	<u>\$ 53,526,760</u>	<u>\$ 54,333,203</u>

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CITY OF LINDEN GENERAL OBLIGATION  
GUARANTEED LEASE REVENUE BONDS LINDEN AIRPORT PROJECT,  
SERIES 1998A

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE MARCH 1</u>
2025	5.00%	\$ 230,000
2026	5.00%	1,195,000
2027	5.00%	1,255,000
2028	5.00%	<u>1,320,000</u>
		<u>\$ 4,000,000</u>

The bonds pay interest March 1 and September 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

SEWER SYSTEM (CITY OF ELIZABETH)  
 GENERAL OBLIGATION LEASE REVENUE BONDS  
SERIES 2002

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE APRIL 15</u>
2015	6.64%	\$ 1,150,000
2016	6.64%	1,225,000
2017	6.64%	1,310,000
2018	6.64%	1,395,000
2019	6.64%	1,490,000
2020	6.64%	1,585,000
2021	6.64%	1,695,000
2022	6.64%	1,805,000
		<hr/>
		\$ 11,655,000
		<hr/> <hr/>

The bonds pay interest April 1 and October 1

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CITY OF PLAINFIELD - PARK MADISON REDEVELOPMENT PROJECT  
 LEASE REVENUE BONDS,  
SERIES 2003B

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>TAX EXEMPT BONDS</u>	
	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE MARCH 1</u>
2020	5.17%	\$ 4,455,000 *
2025		
2034		
		<u>\$ 4,455,000</u>

The bonds pay interest March 1 and September 1.

\*Paid by Sinking Fund

<u>Sinking Fund Installments</u>		
2015	5.17%	\$ 650,000
2016	5.17%	685,000
2017	5.17%	720,000
2018	5.17%	760,000
2019	5.17%	800,000
2020	5.17%	840,000
		<u>\$ 4,455,000</u>

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

POOLED ERI UNFUNDED LIABILITY PROJECT  
 LOAN REVENUE BONDS,  
SERIES 2003

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE APRIL 1</u>
2018		\$ 5,720,000 *
2021		785,000 *
		<hr/>
		\$ 6,505,000
		<hr/> <hr/>

The bonds pay interest April 1 and October 1.

\*Paid by Sinking Fund

2015	5.29%	\$ 1,380,000
2016	5.29%	1,470,000
2017	5.29%	1,395,000
2018	5.29%	1,475,000
2019	5.93%	330,000
2020	5.93%	350,000
2021	5.93%	105,000
		<hr/>
		\$ 6,505,000
		<hr/> <hr/>

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

UNION TOWNSHIP TRAIN STATION REDEVELOPMENT PROJECT  
GENERAL OBLIGATION GUARANTEED LEASE REVENUE BONDS,  
SERIES 2003

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE AUGUST 1</u>
2015	4.10%	\$ 290,000
2023	5.25%	<u>2,885,000</u> *
		<u>\$ 3,175,000</u>

The bonds pay interest February 1 and August 1.

\*Paid by Sinking Fund

Sinking Fund installments		
2016	5.25%	\$ 300,000
2017	5.25%	315,000
2018	5.25%	330,000
2019	5.25%	350,000
2020	5.25%	370,000
2021	5.25%	385,000
2022	5.25%	405,000
2023	5.25%	<u>430,000</u>
		<u>\$ 2,885,000</u>



UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

SHERIDAN GARDENS PROJECT - ROSELLE  
COUNTY GUARANTEED MORTGAGE REVENUE BONDS  
SERIES 2003

CURRENT INTEREST SERIAL BONDS

YEAR OF MATURITY	INTEREST RATE	PRINCIPAL DUE FEBRUARY 15
2033	5.00%	\$ 1,275,000 *
		<u>\$ 1,275,000</u>

The bonds pay interest May 15 and November 15.

\*Paid by Sinking Fund

Sinking Fund Installments		
2015	5.0%	\$ 40,000
2016	5.0%	45,000
2017	5.0%	45,000
2018	5.0%	50,000
2019	5.0%	50,000
2020	5.0%	55,000
2021	5.0%	55,000
2022	5.0%	60,000
2023	5.0%	60,000
2024	5.0%	65,000
2025	5.0%	70,000
2026	5.0%	70,000
2027	5.0%	75,000
2028	5.0%	80,000
2029	5.0%	85,000
2030	5.0%	85,000
2031	5.0%	90,000
2032	5.0%	95,000
2033	5.0%	100,000
		<u>\$ 1,275,000</u>

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

POLICE ATHLETIC LEAGUE, INC. OF LINDEN NEW JERSEY PROJECT  
 CITY GUARANTEED LOAN REVENUE BONDS (TAXABLE),  
SERIES 2003

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE SEPTEMBER 1</u>
2015	4.13%	\$ 85,000
2016	4.25%	85,000
2017	4.35%	90,000
2018	4.45%	95,000
2019	4.55%	100,000
2020	4.65%	105,000
2021	4.75%	110,000
2022	4.80%	115,000
2023	4.85%	120,000
2024	4.88%	125,000
		<hr/>
		\$ 1,030,000
		<hr/> <hr/>

The bonds pay interest March 1 and September 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CITY OF LINDEN - SOUTH WOOD AVENUE REDEVELOPMENT PROJECT  
 CITY GUARANTEED REVENUE BONDS  
SERIES 2004

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE MARCH 1</u>
2015	5.01%	\$ 80,000
2016	5.01%	85,000
2017	5.01%	90,000
2018	5.01%	95,000
2019	5.01%	100,000
2020	5.87%	105,000
2021	5.87%	110,000
2022	5.87%	115,000
2023	5.87%	125,000
2024	5.87%	130,000
2025	5.87%	140,000
2026	5.87%	145,000
2027	5.87%	155,000
2028	6.03%	165,000
2029	6.03%	175,000
2030	6.03%	185,000
2031	6.03%	195,000
2032	6.03%	205,000
2033	6.03%	220,000
2034	6.03%	235,000
		<hr/>
		\$ 2,855,000
		<hr/> <hr/>

The bonds pay interest March 1 and September 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CAPITAL EQUIPMENT AND INFRASTRUCTURE IMPROVEMENT  
GENERAL OBLIGATION LEASE REVENUE BONDS  
SERIES 2004

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE MARCH 1</u>
2015	3.63%	\$ 100,000
2016	3.75%	100,000
2017	4.00%	100,000
2018	4.00%	100,000
2019	4.00%	105,000
		<hr/>
		\$ 505,000
		<hr/> <hr/>

The bonds pay interest June 1 and December 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CORRECTIONAL FACILITY PROJECT (JUVENILE)  
COUNTY GUARANTEED REVENUE BONDS  
SERIES 2004

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE MARCH 1</u>
2015	3.63%	<u>\$ 360,000</u>
		<u><u>\$ 360,000</u></u>

The bonds pay interest May 1 and November 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CITY OF LINDEN - LINDEN THEATER REDEVELOPMENT PROJECT  
 COUNTY GUARANTEED REVENUE BONDS (TAXABLE)  
SERIES 2004

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE MARCH 1</u>
2015	5.12%	\$ 130,000
2016	5.12%	140,000
2017	5.12%	145,000
2018	5.12%	155,000
2019	5.12%	160,000
2020	5.12%	170,000
2021	5.12%	180,000
2022	5.12%	190,000
2023	5.12%	200,000
2024	5.12%	210,000
2025	5.12%	220,000
		<hr/>
		\$ 1,900,000
		<hr/> <hr/>

The bonds pay interest March 1 and September 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CITY OF LINDEN - LINDEN LIBRARY PROJECT  
 CITY GUARANTEED REVENUE BONDS  
SERIES 2005

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE JANUARY 1</u>
2015	3.75%	\$ 60,000
2016	4.38%	65,000
2017	4.38%	70,000
2018	4.38%	70,000
2019	4.38%	75,000
2020	4.38%	75,000
2021	4.38%	80,000
2022	4.38%	85,000
2023	4.38%	85,000
2024	4.38%	90,000
2025	4.38%	95,000
2026	4.50%	100,000
2027	4.50%	105,000
2028	4.50%	110,000
2029	4.50%	115,000
2030	4.50%	120,000
2031	4.50%	125,000
2032	4.50%	130,000
2033	4.50%	135,000
2034	4.50%	140,000
2035	4.50%	145,000
		<hr/>
		\$ 2,075,000
		<hr/> <hr/>

The bonds pay interest January 1 and July 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CITY OF LINDEN - LINDEN FOOTBALL AND TRACK STADIUM PROJECT  
 CITY GUARANTEED REVENUE BONDS  
SERIES 2005

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE JANUARY 1</u>
2015	3.88%	\$ 155,000
2016	4.25%	160,000
2017	4.25%	165,000
2018	4.25%	175,000
2019	4.25%	180,000
2020	4.25%	185,000
2021	4.38%	195,000
2022	4.38%	205,000
2023	4.38%	215,000
2024	4.38%	220,000
2025	4.38%	230,000
2026	4.50%	240,000
2027	4.50%	255,000
2028	4.50%	265,000
2029	4.50%	275,000
2030	4.50%	290,000
		<hr/>
		\$ 3,410,000
		<hr/> <hr/>

The bonds pay interest January 1 and July 1.



UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

COUNTY PROSECUTOR'S OFFICE PROJECT  
COUNTY GUARANTEED REVENUE BONDS  
SERIES 2005

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE MAY 1</u>
2015	3.75%	\$ 230,000
2016	3.75%	240,000
2017	4.00%	250,000
2018	4.00%	260,000
2019	4.00%	270,000
2020	4.00%	280,000
		<hr/>
		<u>\$ 1,530,000</u>

The bonds pay interest May 1 and November 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CORRECTIONAL FACILITY PROJECT (JUVENILE)  
 COUNTY GUARANTEED REVENUE BONDS  
SERIES 2005

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE MAY 1</u>
2015	3.50%	\$ 755,000
2016	3.60%	780,000
2017	3.75%	810,000
2018	4.00%	840,000
2019	4.00%	870,000
2020	4.00%	905,000
2021	4.00%	945,000
2022	5.50%	980,000
2023	5.50%	1,115,000
2024	5.50%	1,170,000
2025	5.50%	1,230,000
2026	5.50%	1,290,000
2027	5.50%	1,355,000
2028	5.50%	1,420,000
2029	5.50%	1,425,000
2030	5.50%	1,745,000
2031	5.50%	1,830,000
2032	5.50%	1,915,000
2033	5.50%	1,990,000
2034	5.50%	2,075,000
		<hr/>
		\$ 25,445,000
		<hr/>

The bonds pay interest May 1 and November 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

BOROUGH OF ROSELLE - OAK PARK APARTMENTS HOUSING PROJECT  
 COUNTY GUARANTEED MORTGAGE REVENUE BONDS  
SERIES 2005

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>2047 MATURITY</u>		<u>2026 MATURITY</u>	
	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>
2015	6.15%	\$ 113,706	6.15%	\$ 116,010
2016	6.15%	120,900	6.15%	123,349
2017	6.15%	128,548	6.15%	131,152
2018	6.15%	136,681	6.15%	139,450
2019	6.15%	145,328	6.15%	148,272
2020	6.15%	154,521	6.15%	157,652
2021	6.15%	164,297	6.15%	167,625
2022	6.15%	174,691	6.15%	178,230
2023	6.15%	185,743	6.15%	189,505
2024	6.15%	197,493	6.15%	201,494
2025	6.15%	209,987	6.15%	214,241
2026	6.15%	223,272	6.15%	18,455
2027	6.15%	237,397		
2028	6.15%	252,416		
2029	6.15%	268,384		
2030	6.15%	285,363		
2031	6.15%	303,416		
2032	6.15%	322,611		
2033	6.15%	343,021		
2034	6.15%	364,722		
2035	6.15%	387,795		
2036	6.15%	412,328		
2037	6.15%	438,414		
2038	6.15%	466,149		
2039	6.15%	495,640		
2040	6.15%	526,995		
2041	6.15%	560,335		
2042	6.15%	595,784		
2043	6.15%	633,475		
2044	6.15%	673,551		
2045	6.15%	716,162		
2046	6.15%	761,469		
2047	6.15%	398,613		
		<u>\$ 11,399,208</u>		<u>\$ 1,785,436</u>

The bonds pay principal and interest the first of each month

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CITY OF LINDEN GENERAL OBLIGATION  
 GUARANTEED LEASE REVENUE BONDS FIREHOUSE PROJECT,  
SERIES 2006

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE SEPTEMBER 1</u>
2015	4.00%	\$ 750,000
2016	5.00%	1,175,000
2017	5.00%	1,175,000
2018	5.00%	1,370,000
2019	4.10%	1,495,000
2020	4.13%	1,450,000
2021	4.13%	1,350,000
2022	4.20%	1,380,000
2023	4.25%	1,775,000
2024	4.38%	1,850,000
2025	4.38%	1,850,000
2026	4.38%	1,450,000
2027	4.38%	1,450,000
		<hr/>
		<u>\$ 18,520,000</u>

The bonds pay interest March 1 and September 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

UNION COUNTY COLLEGE FACILITY PROJECT  
 COUNTY GUARANTEED REVENUE BONDS,  
SERIES 2006

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>"A" BONDS</u>		<u>"B" BONDS CHAPTER 12 SUPPORTED</u>		<u>"C" BONDS</u>	
	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE FEBRUARY 1</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE FEBRUARY 1</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE FEBRUARY 1</u>
2015	3.75%	\$ 105,000	4.00%	\$ 2,725,000	3.75%	\$ 395,000
2016	4.00%	105,000	4.00%	2,835,000	4.00%	410,000
		<u>\$ 210,000.00</u>		<u>\$ 5,560,000.00</u>		<u>\$ 805,000.00</u>

The bonds pay interest February 1 and August 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CAPITAL EQUIPMENT LEASE PROGRAM  
 GENERAL OBLIGATION LEASE REVENUE BONDS  
SERIES 2006

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE SEPTEMBER 1</u>
2015	4.00%	\$ 610,000
2016	4.00%	610,000
2017	4.00%	355,000
2018	4.00%	355,000
2019	4.00%	355,000
2020	4.00%	355,000
2021	4.00%	360,000
		<hr/>
		\$ 3,000,000
		<hr/> <hr/>

The bonds pay interest March 1 and September 1

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CITY OF LINDEN - LINDEN LIBRARY PROJECT  
 CITY GUARANTEED REVENUE BONDS  
SERIES 2007

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE NOVEMBER 1</u>
2015	3.75%	\$ 310,000
2016	5.00%	365,000
2017	5.00%	365,000
2018	4.00%	370,000
2019	5.00%	390,000
2020	5.00%	390,000
2021	4.25%	390,000
2022	4.38%	415,000
2023	4.25%	425,000
2024	4.38%	445,000
2025	4.38%	445,000
2026	4.38%	445,000
2027	4.50%	445,000
		<hr/>
		<u>\$ 5,200,000</u>

The bonds pay interest May 1 and November 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CITY OF LINDEN - MORNINGSTAR REDEVELOPMENT PROJECT  
 CITY GUARANTEED REVENUE BONDS  
SERIES 2007

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE OCTOBER 1</u>
2015	5.65%	\$ 235,000
2016	5.65%	245,000
2017	5.65%	260,000
2018	5.65%	275,000
2019	5.65%	290,000
2020	5.65%	305,000
2021	5.65%	325,000
2022	5.65%	340,000
2023	5.65%	360,000
2024	5.65%	380,000
2025	5.65%	405,000
2026	5.65%	425,000
		<hr/>
		<u>\$ 3,845,000</u>

The bonds pay interest April 1 and October 1.



UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

UNION COUNTY IMPROVEMENT AUTHORITY - ACQUISITION OF 10 CHERRY STREET  
COUNTY GUARANTEED REVENUE BONDS  
SERIES 2007

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE MAY 1</u>
2015	4.00%	\$ 135,000
2016	4.00%	140,000
2017	4.00%	150,000
		<hr/>
		\$ 425,000
		<hr/> <hr/>

The bonds pay interest May 1 and November 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

AFRICAN AMERICAN FUND OF NEW JERSEY - PLAINFIELD PROJECT  
MORTGAGE REVENUE BONDS,  
SERIES 2008

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF</u> <u>MATURITY</u>	<u>INTEREST</u> <u>RATE</u>	<u>PRINCIPAL</u> <u>DUE MARCH 1</u>
2015	6.88%	\$ 120,000
2016	6.88%	130,000
2017	6.88%	140,000
2018	6.88%	145,000
2019	6.88%	160,000
2020	6.88%	170,000
2021	6.88%	180,000
2022	6.88%	190,000
2023	6.88%	205,000
2024	6.88%	220,000
2025	6.88%	235,000
2026	6.88%	250,000
2027	6.88%	270,000
2028	6.88%	285,000
2029	6.88%	305,000
2030	6.88%	325,000
2031	6.88%	350,000
2032	6.88%	375,000
2033	6.88%	400,000
2034	6.88%	425,000
2035	6.88%	455,000
2036	6.88%	490,000
3037	6.88%	520,000
2038	6.88%	655,000
		<hr/>
		\$ 7,000,000
		<hr/> <hr/>

The bonds pay interest March 1 and September 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

UNION COUNTY IMPROVEMENT AUTHORITY - OAKWOOD PLAZA, ELIZABETH PROJECT  
COUNTY GUARANTEED REVENUE BONDS  
SERIES 2010

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE MAY 1</u>
2025	5.850%	\$ 2,755,000 *
2030	5.850%	3,705,000 *
2040	6.920%	12,235,000 *
		<hr/>
		\$ 18,695,000
		<hr/> <hr/>

The bonds pay interest May 1 and November 1.

\*Paid by Sinking Fund

2021	5.850%	\$ 490,000
2022	5.850%	520,000
2023	5.850%	550,000
2024	5.850%	580,000
2025	5.850%	615,000
		<hr/>
		\$ 2,755,000
		<hr/> <hr/>
2026	6.400%	\$ 650,000
2027	6.400%	695,000
2028	6.400%	740,000
2029	6.400%	785,000
2030	6.400%	835,000
		<hr/>
		\$ 3,705,000
		<hr/> <hr/>
2031	6.920%	\$ 890,000
2032	6.920%	950,000
2033	6.920%	1,015,000
2034	6.920%	1,085,000
2035	6.920%	1,160,000
2036	6.920%	1,240,000
2037	6.920%	1,330,000
2038	6.920%	1,420,000
2039	6.920%	1,520,000
2040	6.920%	1,625,000
		<hr/>
		\$ 12,235,000
		<hr/> <hr/>

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CHILD ADVOCACY CENTER PROJECT  
 COUNTY GUARANTEED REVENUE BONDS  
SERIES 2010

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE SEPTEMBER 1</u>
2015	2.000%	\$ 155,000
2016	2.500%	160,000
2017	2.500%	165,000
2018	3.000%	170,000
2019	3.000%	175,000
2020	3.000%	180,000
2021	3.000%	185,000
2022	4.000%	190,000
2023	4.000%	200,000
2024	4.000%	205,000
2025	4.000%	215,000
	4.000%	<u>\$ 2,000,000</u>

The bonds pay interest March 1 and September 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CITY OF LINDEN GENERAL OBLIGATION  
 GUARANTEED LEASE REVENUE BONDS LINDEN AIRPORT PROJECT,  
SERIES 2010B

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE MARCH 1</u>
2015	6.60%	\$ 585,000
2016	6.60%	625,000
2017	6.60%	665,000
2018	6.60%	710,000
2019	6.65%	760,000
2020	6.65%	810,000
2021	6.65%	865,000
2022	6.65%	925,000
2023	6.65%	990,000
2024	6.65%	1,060,000
2025	6.65%	900,000
		<hr/>
		\$ 8,895,000
		<hr/> <hr/>

The bonds pay interest March 1 and September 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

RENEWABLE ENERGY PROJECT  
COUNTY GUARANTEED LEASE REVENUE BONDS  
SERIES 2011

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE OCTOBER 15</u>
2015	2.520%	\$ 1,015,000
2016	2.960%	1,015,000
2017	3.360%	1,015,000
2018	3.650%	1,015,000
2019	3.950%	1,015,000
2020	4.320%	1,010,000
2021	4.520%	1,010,000
2022	4.670%	1,010,000
2023	4.820%	1,010,000
2024	4.970%	1,010,000
2025	5.070%	1,010,000
2026	5.170%	1,010,000
		<hr/>
		\$ 12,145,000

The bonds pay interest April 15 and October 15.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

COUNTY GUARANTEED REVENUE REFUNDING  
 GENERAL OBLIGATION LEASE REVENUE BONDS  
SERIES 2012

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE JUNE 15</u>
2015	5.00%	\$ 345,000
2016	5.00%	355,000
2017	5.00%	370,000
2018	5.00%	380,000
2019	5.00%	390,000
2020	5.00%	400,000
2021	5.00%	415,000
2022	5.00%	425,000
		<hr/>
		\$ 3,080,000
		<hr/> <hr/>

The bonds pay interest June 15 and December 15

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

FAMILY COURT HOUSE AND PARKING DECK PROJECT  
 GENERAL OBLIGATION LEASE REVENUE BONDS  
SERIES 2012

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE MARCH 1</u>
2025	4.000%	\$ 1,725,000
2026	4.000%	1,795,000
2027	3.000%	1,865,000
2028	3.375%	1,925,000
2029	3.375%	1,990,000
2030	3.375%	2,055,000
2031	3.375%	2,125,000
2032	3.375%	2,195,000
2033	4.000%	2,270,000
2034	4.000%	2,360,000
2035	4.000%	2,455,000
2036	4.000%	2,555,000
3037	4.000%	2,655,000
2038	5.000%	2,760,000
2039	5.000%	2,890,000
2040	5.000%	3,025,000
2041	5.000%	1,325,000
2041	4.000%	1,840,000
2042	4.000%	3,315,000
		<hr/>
		\$ 43,125,000
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The bonds pay interest March 1 and September 1.



UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CITY OF PLAINFIELD - PARK MADISON REDEVELOPMENT PROJECT  
 LEASE REVENUE REFUNDING BONDS,  
SERIES 2013A

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>TAX EXEMPT BONDS</u>	
	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE MARCH 1</u>
2021	5.00%	\$ 875,000
2022	5.00%	915,000
2023	5.00%	960,000
2024	5.00%	1,000,000
2025	5.00%	1,050,000
2026	5.00%	1,530,000
2027	5.00%	1,605,000
2028	5.00%	1,685,000
2029	5.00%	1,770,000
2030	5.00%	1,855,000
2031	5.00%	1,950,000
2032	5.00%	2,045,000
2033	5.00%	2,150,000
2034	5.00%	2,255,000
		<u>\$ 21,645,000</u>

The bonds pay interest March 1 and September 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

UNION COUNTY COLLEGE CRANFORD FACILITY PROJECT  
COUNTY GUARANTEED REVENUE BONDS,  
SERIES 2013

CURRENT INTEREST SERIAL BONDS

YEAR OF MATURITY	"A" BONDS		"B" BONDS CHAPTER 12 SUPPORTED	
	INTEREST RATE	PRINCIPAL DUE DECEMBER 1	INTEREST RATE	PRINCIPAL DUE DECEMBER 1
2015	3.500%	\$ 350,000		
2016	3.375%	70,000	3.750%	\$ 575,000
2017	3.500%	75,000	3.500%	580,000
2018	3.625%	80,000	3.600%	585,000
2019	3.750%	85,000	3.625%	600,000
2020	3.750%	90,000	3.750%	610,000
2021	3.875%	90,000	3.750%	625,000
2022	3.750%	95,000	4.000%	640,000
2023	4.000%	100,000	4.000%	660,000
2024	4.000%	100,000	4.000%	680,000
2025	4.000%	105,000	4.000%	700,000
2026	4.000%	110,000	4.750%	725,000
2027	4.125%	115,000	4.750%	745,000
2028	4.125%	115,000	4.750%	775,000
2029	4.125%	515,000		
2030	4.250%	540,000		
2031	4.250%	560,000		
2032	4.250%	580,000		
2033	4.375%	605,000		
		<u>\$ 4,380,000</u>		<u>\$ 8,500,000</u>

The bonds pay interest June 1 and December 1.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

CORRECTIONAL FACILITY PROJECT  
 REVENUE REFUNDING BONDS  
SERIES 2013

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF</u> <u>MATURITY</u>	<u>INTEREST</u> <u>RATE</u>	<u>PRINCIPAL</u> <u>DUE</u> <u>JUNE 15</u>
2015	2.00%	\$ 315,000
2016	3.00%	320,000
2017	3.00%	330,000
2018	3.00%	340,000
2019	3.00%	345,000
2020	3.00%	360,000
2021	3.00%	370,000
2022	4.00%	375,000
2023	4.00%	395,000
		<hr/>
		\$ 3,150,000
		<hr/> <hr/>

The bonds pay interest June 15 and December 15.

UNION COUNTY IMPROVEMENT AUTHORITY

BONDS PAYABLE DECEMBER 31, 2014

UNION COUNTY COLLEGE FACILITY PROJECT  
COUNTY GUARANTEED REVENUE BONDS,  
SERIES 2014

CURRENT INTEREST SERIAL BONDS

<u>YEAR OF MATURITY</u>	<u>"A" BONDS</u>		<u>"B" BONDS CHAPTER 12 SUPPORTED</u>		<u>"C" BONDS</u>	
	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE FEBRUARY 1</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE FEBRUARY 1</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL DUE FEBRUARY 1</u>
2015			1.50%	\$ 45,000		
2016			3.00%			
2017	3.00%	\$ 110,000	3.00%	2,845,000	3.00%	\$ 400,000
2018	4.00%	115,000	4.00%	2,945,000	4.00%	415,000
2019	4.00%	115,000	4.00%	3,055,000	4.00%	435,000
2020	4.00%	120,000	4.00%	685,000	4.00%	445,000
2020			5.00%	2,500,000		
2021	4.00%	125,000	5.00%	3,315,000	5.00%	465,000
2022	4.00%	130,000			5.00%	495,000
2023	4.00%	135,000			5.00%	515,000
2024	4.00%	145,000			5.00%	540,000
2025	4.00%	150,000			4.00%	565,000
2026	4.00%	155,000			4.00%	590,000
		<u>\$ 1,300,000</u>		<u>\$ 15,390,000</u>		<u>\$ 4,865,000</u>

The bonds pay interest February 1 and August 1.

UNION COUNTY IMPROVEMENT AUTHORITY

ROSTER OF OFFICIALS

DECEMBER 31, 2014

AUTHORITY MEMBERS

Tony Scutari	Chairman
Cherron Rountree	Vice Chairman
John Salerno	Secretary
Bryan Tomko	Treasurer
Carolyn Vollero	Member
Ronald Bornstad	Member
Steve Hockaday	Member
Linda L. Hines	Member
Sebastian D'Elia	Member
 <u>Other Officials:</u>	
Daniel Sullivan	Executive Director

UNION COUNTY IMPROVEMENT AUTHORITY

DECEMBER 31, 2014

GENERAL COMMENTS AND RECOMMENDATIONS

NONE

