

**CITY OF PASSAIC**  
**PASSAIC COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2021**

**CITY OF PASSAIC**

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**CITY OF PASSAIC**  
**PASSAIC COUNTY, NEW JERSEY**

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2021**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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CHRISTINA CUIFFO, CPA

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and  
Members of the City Council  
City of Passaic  
Passaic, New Jersey

### **Report on the Audit of Financial Statements**

#### ***Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Passaic, as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2021, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the City of Passaic as of December 31, 2021 and 2020, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2021 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Passaic as of December 31, 2021 and 2020, or changes in financial position, or, where applicable, cash flows for the years then ended.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Passaic and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the City of Passaic on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Passaic's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Passaic's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Passaic's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements of the City of Passaic as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by NJ OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are presented for purposes of additional analysis and are not a required part of the financial statements of the City of Passaic. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

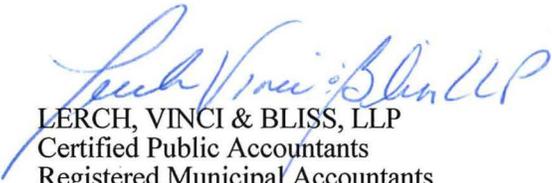
### ***Other Information***

Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with Government Auditing Standards, we have also issued our report dated July 22, 2022 on our consideration of the City of Passaic'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Passaic's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Passaic's internal control over financial reporting and compliance.



LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Registered Municipal Accountants



Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CR00398

Fair Lawn, New Jersey  
July 22, 2022

**CITY OF PASSAIC**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	December 31, <u>2021</u>	December 31, <u>2020</u>
<b>ASSETS</b>			
<b>REGULAR FUND</b>			
Cash	A-4	\$ 49,743,017	\$ 41,955,667
Cash - Change Fund	A-7	2,800	2,800
Due From State of New Jersey - Senior Citizens and Veterans	A-9	<u>50,234</u>	<u>50,221</u>
		<u>49,796,051</u>	<u>42,008,688</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Tax Receivable	A-12	45,045	688,761
Tax Title Liens Receivable	A-13	292,744	289,602
Property Acquired for Taxes	A-14	57,699	57,699
Special Assessment Receivable	A-15		136,037
Revenue Accounts Receivable	A-16	68,448	63,675
Due from Grant Fund	A-8		2,602,617
Due from Animal Control Fund	B-4	8,223	10,461
Due from Community Development Grant Fund	B-16	341,588	146,601
Due from Home Investment Program Fund	B-20	400,513	324,222
Due from General Capital Fund	C-4		138
Due from Sewer Utility Operating Fund	D-11	2,068,839	321,405
Due from Passaic Redevelopment Authority	A-11	<u>213,519</u>	<u>179,886</u>
		<u>3,496,618</u>	<u>4,821,104</u>
Deferred Charges			
Special Emergency Authorization	A-17	<u>804,000</u>	<u>804,000</u>
		<u>804,000</u>	<u>804,000</u>
<b>Total Regular Fund</b>		<u>54,096,669</u>	<u>47,633,792</u>
<b>GRANT FUND</b>			
Cash	A-5	7,337,203	322,880
Grants Receivable	A-31	17,243,496	19,878,369
Due from Current Fund	A-8	2,584,108	-
Due from Community Development Block Grant Fund	B-17	<u>94,505</u>	<u>-</u>
<b>Total Grant Fund</b>		<u>27,259,312</u>	<u>20,201,249</u>
<b>Grand Total</b>		<u>\$ 81,355,981</u>	<u>\$ 67,835,041</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF PASSAIC  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
CURRENT FUND  
AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	December 31, <u>2021</u>	December 31, <u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
REGULAR FUND			
Liabilities and Reserves			
Appropriation Reserves	A-3,A-20	\$ 10,328,550	\$ 12,865,960
Encumbrances Payable	A-23	2,799,559	\$ 2,953,804
Accounts Payable	A-24	603,180	954,540
Tax Overpayments	A-18	48,636	124,049
Prepaid Taxes	A-19	1,138,034	1,098,932
Fees Payable	A-27	254,657	245,922
Due to Grant Fund	A-8	2,584,108	
Due to Other Trust Fund	B-7	5,858,646	2,379,337
Due to General Capital Fund	C-4	466,528	
Due to Passaic Parking Authority	A-10	20,549	5,324
Reserve for Tax Appeals	A-25	4,098,659	3,490,874
Reserve for Pension Contributions	A-28	608,338	908,338
Reserve for Revaluation Program	A-29	163,082	163,082
Reserve for Deferred State Aid	A-30	4,724,778	5,999,778
Miscellaneous Reserves	A-26	<u>404,292</u>	<u>613,841</u>
		34,101,596	31,803,781
Reserve for Receivables and Other Assets	A	3,496,618	4,821,104
Fund Balance	A-1	<u>16,498,455</u>	<u>11,008,907</u>
Total Regular Fund		<u>54,096,669</u>	<u>47,633,792</u>
GRANT FUND			
Encumbrances Payable	A-32	2,144,590	3,425,049
Due to Current Fund	A-8		2,602,617
Due to Other Trust Fund	B-8	1,000,657	684,802
Due to Home Investment Program Fund	B-18	167,036	167,036
Appropriated Grant Reserves	A-32	22,283,040	11,479,072
Unappropriated Grant Reserves	A-33	569,644	1,453,867
Reserve for Grant Reimbursement	A-34	705,539	
Reserve for Program Income	A-35	<u>388,806</u>	<u>388,806</u>
Total Grant Fund		<u>27,259,312</u>	<u>20,201,249</u>
Grand Total		<u>\$ 81,355,981</u>	<u>\$ 67,835,041</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF PASSAIC  
COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS  
CURRENT FUND  
AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b>REVENUES AND OTHER INCOME REALIZED:</b>			
Fund Balance Utilized	A-2	\$ 4,340,000	\$ 6,000,000
Miscellaneous Revenue Anticipated	A-2	46,073,613	33,977,042
Receipts from Delinquent Taxes	A-2	674,332	216,205
Receipts from Current Taxes	A-2	109,511,585	108,299,164
Non-Budget Revenues	A-2	933,294	741,971
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-20	6,916,532	5,528,157
Unexpended Balance of Sewer Appropriation Reserves	D-11	21,854	
Interfunds Receivables Liquidated - Net	A	552,648	
Special Emergency Authorization - COVID 19	A-17		804,000
Cancelled Prior Year Outstanding Checks	A-1		15,407
Cancelled Accounts Payable	A-24	<u>729,899</u>	<u>-</u>
 Total Income		 <u>169,753,757</u>	 <u>155,581,946</u>
<b>EXPENDITURES</b>			
Budget Appropriations:			
Operations			
Salaries and Wages	A-3	46,015,615	45,557,560
Other Expenses	A-3	52,964,918	46,031,414
Deferred Charges and Statutory Expenditures	A-3	13,368,302	11,823,559
Capital Improvements	A-3	1,050,000	1,050,000
Municipal Debt Service	A-3	1,761,852	1,835,575
County Taxes	A-22	27,386,675	26,965,457
Local District School Taxes	A-21	16,818,577	16,818,577
Prior Year Senior Citizen/Veteran Deductions Disallowed	A-9	13,666	3,783
Pilot Fees Due County	A-4	44,104	
Disallowed Grant Costs - Reserve	A-26	500,000	
Refund of Prior Year Revenue	A-4	500	
Interfunds and Other Receivables Created	A	<u>-</u>	<u>1,343,581</u>
 Total Expenditures		 <u>159,924,209</u>	 <u>151,429,506</u>
 Excess in Revenues		 9,829,548	 4,152,440
Fund Balance, Beginning of Year	A	<u>11,008,907</u>	<u>12,856,467</u>
		20,838,455	17,008,907
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>4,340,000</u>	<u>6,000,000</u>
Fund Balance, End of Year	A	<u>\$ 16,498,455</u>	<u>\$ 11,008,907</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF PASSAIC**  
**STATEMENT OF REVENUES - STATUTORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Reference	Anticipated		Realized	Excess (Deficit)
		Budget	Added by 40A:4-87		
Fund Balance Utilized	A-1	\$ 4,340,000	-	\$ 4,340,000	-
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-16	135,351		141,332	\$ 5,981
Other	A-16	30,000		36,096	6,096
Fees and Permits:					
Uniform Construction Code - Fees	A-16	825,000		1,388,417	563,417
Other	A-16	50,000		58,894	8,894
Fines and Costs:					
Municipal Court	A-16	1,060,000		922,833	(137,167)
Energy Receipts Tax	A-16	10,236,171		10,236,171	-
Consolidated Municipal Property Tax Relief Aid	A-16	2,309,311		2,309,311	-
Interest and Costs on Taxes	A-16	220,000		347,160	127,160
Interest on Investments & Deposit	A-16	78,000		74,635	(3,365)
Downtown Merchant's Association	A-16	100,000		103,660	3,660
Police Record Bureau	A-16	10,000		12,586	2,586
Board of Education - Security Watch and Resource Officers	A-16	3,400,000		3,400,000	-
Interlocal Agreement - Passaic Parking Authority	A-10	653,000		653,000	-
Public and Private Revenues Offset					
With Appropriations:					
American Rescue Plan - Federal	A-31	2,200,000		2,200,000	-
Distracted Driving Crackdown 2021	A-31		\$ 10,500	10,500	
Strengthening Local Public Health Capacity	A-31		142,236	142,236	
NPP COVID-19 - Additional	A-31		700,000	700,000	
Regional Stationhouse Adj 2021	A-31		45,000	45,000	
YSA Afterschool Grant	A-31		500	500	
NJDEP - It Pays to Plug In!	A-31		12,000	12,000	
Municipal Lead Abatement Program	A-31		166,877	166,877	
Body Armor (State) - FY 2020	A-31		10,567	10,567	
Click It or Ticket 2021 Seat Belt Mobilization	A-31		9,000	9,000	
Summer Food Program 2021	A-31		217,563	217,563	
Alcohol Education and Rehab 2021	A-31		9,315	9,315	
American Rescue Plan - Federal Funding	A-31		8,541,804	8,541,804	
Clean Communities 2019	A-32		82,586	82,586	
Clean Communities 2020	A-32		74,472	74,472	
County Open Space - 100 Steps	A-31		16,706	16,706	
Drunk Driving Enforcement Fund FY2020	A-31		200,000	200,000	
NJ DOT Youth Corp Program	A-31		32,000	32,000	
Recycling Tonnage Grant 2019 (FY2017)	A-32		160,268	160,268	
Recycling Tonnage Grant 2020 (FY2018)	A-31		153,337	153,337	
Stationhouse Adj (Local) - 2021 Addtnl	A-31		3,979	3,979	
Assistance to Firefighter Grant	A-31		142,651	142,651	
Byrne Memorial JAG 2020	A-31		169,234	169,234	
Childhood Lead - 2022	A-31		562,500	562,500	
COVID-19 Vaccination Supplemental Funding 2022	A-31		50,000	50,000	
Drive Sober Labor Day 2021	A-31		9,000	9,000	
NJDOT TAPS - Railroad ROW	A-31		1,000,000	1,000,000	
NPP Year 2 (2021-2022)	A-31		125,000	125,000	
Ryan White FY 2021	A-31		137,441	137,441	
Safe and Secure 2021	A-31		48,600	48,600	
Strengthening Local Public Health Capacity	A-31		291,042	291,042	
WIC FY 2022	A-31		1,116,055	1,116,055	
WIC Infrastructure Grant FY 2022	A-31		32,800	32,800	
NJDOT- Safe Streets to Transit FY 2021	A-31		200,000	200,000	
HOPWA 2021	A-31		150,000	150,000	
HOPWA COVID-19 20-21 Additional	A-31		10,224	10,224	

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF PASSAIC  
STATEMENT OF REVENUES - STATUTORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Reference</u>	<u>Budget</u>	<u>Added by 40A:4-87</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
NJ DOT FY2022	A-31		\$ 782,700	\$ 782,700	
Municipal Alliance FY2022	A-31		17,312	17,312	
NJ OAG - FY21 Body Worn Camera Grant	A-31		244,560	244,560	
DOT TAPS - Mrkt St - PE & FD Phase	A-31		141,024	141,024	
Special Items:					
American Rescue Plan - Federal Funding	A-16	\$ 4,824,000		4,824,000	
Cable Franchise Fee	A-16	345,967		345,967	
Saint Mary's Reise Corp. - In Lieu of Taxes	A-16	175,000		177,742	\$ 2,742
Chestnut Housing Phase I - In Lieu of Taxes	A-16	90,000		104,270	14,270
Jack Parker Association - In Lieu of Taxes	A-16	245,000		336,700	91,700
YMCA - In Lieu of Taxes	A-16	30,000		30,000	-
Highview Terrace - In Lieu of Taxes	A-16	84,000		87,442	3,442
585 Main Ave - In Lieu of Taxes	A-16	45,000		45,849	849
663 Main Ave - In Lieu of Taxes	A-16	63,000		56,610	(6,390)
Concord Estate- In Lieu of Taxes	A-16	65,000		64,552	(448)
Passaic Public Library - Health Benefit Contribution	A-16	120,000		128,409	8,409
Housing Authority Police Program	A-16	300,000		153,653	(146,347)
County of Passaic - Street Lighting	A-16	60,000		60,000	-
Payment in Lieu of Taxes - Housing Authority	A-16	192,000		186,088	(5,912)
Payment in Lieu of Taxes - Garden Howe	A-16	43,000		44,383	1,383
POD- Vehicle Fee	A-16	150,000		150,000	-
Reserve for Deferred State Aid	A-30	1,275,000		1,275,000	-
Reserve for Pension	A-28	300,000	-	300,000	-
		<u>29,713,800</u>	<u>15,818,853</u>	<u>46,073,613</u>	<u>540,960</u>
Receipts from Delinquent Taxes	A-2	<u>115,000</u>	<u>-</u>	<u>674,332</u>	<u>559,332</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		65,152,235		65,285,346	133,111
Minimum Library Tax		<u>1,370,987</u>	<u>-</u>	<u>1,370,987</u>	<u>-</u>
Total Amount to be Raised by Taxes for Sup. of Mun. Budget	A-2	<u>66,523,222</u>	<u>-</u>	<u>66,656,333</u>	<u>133,111</u>
Total Budget Revenues	A-3	<u>\$ 100,692,022</u>	<u>\$ 15,818,853</u>	117,744,278	<u>\$ 1,233,403</u>
Non-Budget Revenues	A-2			<u>933,294</u>	
				<u>\$ 118,677,572</u>	

**CITY OF PASSAIC**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

	<u>Reference</u>	
<b>ANALYSIS OF REALIZED REVENUES</b>		
Allocation of Current Tax Collections		
Revenue from Collections	A-12	\$ 110,511,585
Less: Reserve for Tax Appeals Pending	A-25	<u>1,000,000</u>
Revenues Realized	A-1	109,511,585
Less: Allocated to School and County Taxes	A-21,A-22	<u>44,205,252</u>
Balance for Support of Municipal Budget Appropriations		65,306,333
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,350,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 66,656,333</u>
Receipts from Delinquent Taxes		
Delinquent Tax Collections	A-12	\$ 587,633
Tax Title Liens	A-13	<u>86,699</u>
	A-1,A-2	<u>\$ 674,332</u>

Analysis of Non Budget Revenue

Recreation Fees		\$ 55,733
Recycling		111,539
Motor Vehicle Inspection Fines		5,650
Administrative Fees - Police Outside Duty		198,812
Board of Health/Vital Statistics Fees		171,634
City Clerk Fees		40,213
Planning/Engineering Fees		41,091
Administration Fees - Senior Citizen and Veterans/Homestead Rebate		1,708
Sale of Municipal Assets		6,380
Fire Alarms		12,811
Restitution		500
Special Assessment Receivable Realized		136,037
Other Miscellaneous Receipts		<u>151,186</u>
		<u>\$ 933,294</u>
Cash Receipts	A-4	\$ 774,664
Due from Other Trust Fund	B-8	<u>158,630</u>
	A-2	<u>\$ 933,294</u>

**CITY OF PASSAIC**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>		<u>Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>OPERATIONS - WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT</b>					
General Administration					
Office of Business Administration					
Salaries & Wages	\$ 1,013,200	\$ 1,013,200	\$ 844,436	\$ 168,764	
Other Expenses	329,450	339,450	249,048	90,402	
Human Resources					
Office of Personnel					
Salaries & Wages	217,900	217,900	148,246	69,654	
Other Expenses	17,200	17,200	14,206	2,994	
Mayor and Council					
Office of the Mayor and Council					
Salaries & Wages	338,650	338,650	326,050	12,600	
Other Expenses	165,150	165,150	139,180	25,970	
City Clerk					
Salaries & Wages	495,085	495,085	410,142	84,943	
Other Expenses	199,000	199,000	142,376	56,624	
Financial Administration - Treasurer's Office					
Salaries and Wages	465,000	465,000	394,539	70,461	
Other Expenses	166,000	166,000	92,612	73,388	
Annual Audit					
Other Expenses	83,000	83,000	80,000	3,000	
Revenue Administration - Tax Collector					
Salaries and Wages	271,350	271,350	240,299	31,051	
Other Expenses	36,600	36,600	28,962	7,638	
Tax Assessment Administration					
Salaries and Wages	295,900	295,900	276,740	19,160	
Other Expenses	105,300	105,300	87,978	17,322	
Legal Services					
Other Expenses	752,500	772,500	752,500	20,000	
Office of Engineer					
Salaries and Wages	235,350	235,350	204,961	30,389	
Other Expenses	123,300	123,300	111,622	11,678	
Economic Development Agencies					
Planning and Economic Development					
Salaries and Wages	94,600	94,600	72,121	22,479	
Other Expenses	20,000	20,000	1,333	18,667	
Division of Housing					
Salaries and Wages	296,100	296,100	270,019	26,081	
Other Expenses	7,100	7,100	3,815	3,285	
Redevelopment Agency	10,000	10,000	10,000	-	
<b>LAND USE ADMINISTRATION</b>					
Planning Board					
Other Expenses	27,200	27,200	16,029	11,171	
Board of Adjustment					
Other Expenses	19,800	19,800	8,181	11,619	
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>					
Rent Leveling Board					
Other Expenses	15,200	15,200		15,200	
<b>INSURANCE</b>					
Liability Insurance	1,338,000	1,338,000	1,338,000	-	
Workmen's Compensation	1,860,000	1,860,000	1,860,000	-	
Employee Group Insurance	15,633,403	15,633,403	13,718,457	1,914,946	
Health Benefit Waiver	98,400	98,400	90,200	8,200	
Unemployment Insurance	150,000	150,000	150,000	-	

**CITY OF PASSAIC**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>		<u>Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY FUNCTIONS					
Police Department					
Salaries and Wages	\$ 19,606,960	\$ 18,531,960	\$ 16,623,526	\$ 1,908,434	
Other Expenses	634,000	634,000	575,111	58,889	
BOE Security Watch and Res. Off.-Salaries & Wages	3,458,700	3,458,700	3,270,645	188,055	
Office of Emergency Management					
Salaries & Wages	51,600	51,600	43,234	8,366	
Other Expenses	7,000	7,000	4,669	2,331	
Fire Department					
Salaries and Wages	12,234,900	12,234,900	11,201,074	1,033,826	
Other Expenses	212,575	212,575	200,013	12,562	
Prosecutor's Office					
Other Expenses	155,000	155,000	150,000	5,000	
Municipal Court					
Salaries and Wages	965,000	965,000	752,439	212,561	
Other Expenses	141,320	141,320	109,237	32,083	
Public Defender (PL 1997 C.256)					
Other Expenses	100,000	100,000	100,000	-	
Passaic Parking Authority					
Salaries & Wages	275,000	275,000	206,548	68,452	
Other Expenses	335,000	335,000	130,857	204,143	
PUBLIC WORKS FUNCTIONS					
Streets and Road Maintenance					
Salaries & Wages	2,343,500	2,493,500	2,090,400	403,100	
Other Expenses	687,500	537,500	394,203	143,297	
Solid Waste Collection					
Other Expenses					
Garbage Removal Contractual	2,450,000	2,725,000	2,541,182	183,818	
Buildings and Grounds					
Salaries and Wages	591,200	591,200	539,629	51,571	
Other Expenses	381,450	381,450	323,795	57,655	
Vehicle Maintenance					
Salaries & Wages	522,800	522,800	432,169	90,631	
Other Expenses	451,000	471,000	445,383	25,617	
HEALTH AND HUMAN SERVICES					
Public Health Services					
Division of Health					
Salaries and Wages	712,850	802,850	741,497	61,353	
Other Expenses	237,700	247,700	213,971	33,729	
Animal Regulation					
Salaries and Wages	215,400	215,400	167,707	47,693	
Other Expenses	33,500	33,500	3,608	29,892	

**CITY OF PASSAIC**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>		<u>Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PARK AND RECREATION FUNCTIONS					
Division of Recreation					
Salaries and Wages	\$ 557,600	\$ 557,600	\$ 412,906	\$ 144,694	
Other Expenses	189,700	189,700	82,915	106,785	
Senior Citizens					
Salaries and Wages	243,600	243,600	134,603	108,997	
Other Expenses	12,000	12,000	3,625	8,375	
Handicapped Recreation					
Salaries & Wages	231,900	231,900	157,440	74,460	
Other Expenses	21,200	21,200	1,435	19,765	
Maintenance of Parks					
Salaries & Wages	394,600	394,600	350,659	43,941	
Other Expenses	176,700	176,700	108,160	68,540	
OTHER COMMON OPERATING FUNCTIONS					
Accumulated Leave					
Other Expenses	550,000	550,000	550,000	-	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
Division of Code Enforcement					
Salaries and Wages	708,500	708,500	540,299	168,201	
Other Expenses	151,200	151,200	100,372	50,828	
UNCLASSIFIED:					
Utilities:					
Electricity	600,000	600,000	472,903	127,097	
Street Lighting	735,000	735,000	598,216	136,784	
Telephone and Telegraph	250,000	250,000	213,601	36,399	
Gasoline	420,000	420,000	324,853	95,147	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Tipping Fees	<u>2,510,000</u>	<u>3,160,000</u>	<u>2,507,220</u>	<u>652,780</u>	-
Total Operations Within "CAPS"	<u>79,435,693</u>	<u>79,435,693</u>	<u>69,902,156</u>	<u>9,533,537</u>	-
Detail:					
Salaries & Wages	46,837,245	45,828,745	40,852,328	5,163,287	-
Other Expenses	<u>32,598,448</u>	<u>33,606,948</u>	<u>29,049,828</u>	<u>4,370,250</u>	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
DEFERRED CHARGES					
Anticipated Deficit in Sewer Utility Operations	851,000	851,000	851,000		
STATUTORY CHARGES					
Public Employees Retirement System	1,707,925	1,707,925	1,707,925	-	
Social Security System (O.A.S.I.)	1,650,000	1,650,000	1,462,665	187,335	
Consolidated Police & Firemen's Pension Fund	-	-	-	-	
Public Employees Retirement System - ERIP	-	-	-	-	
Police and Fireman's Retirement System	9,089,377	9,089,377	9,089,377	-	
Deferred Compensation Retirement Plan	<u>70,000</u>	<u>70,000</u>	<u>48,918</u>	<u>21,082</u>	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>13,368,302</u>	<u>13,368,302</u>	<u>13,159,885</u>	<u>208,417</u>	-

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF PASSAIC**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Canceled</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	\$ 92,803,995	\$ 92,803,995	\$ 83,062,041	\$ 9,741,954	\$ -
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
Maintenance of Free Public Library	1,370,987	1,370,987	1,370,987	-	
Recycling Tax	120,000	120,000	117,916	2,084	
Declared State of Emergency Costs for Coronavirus Response - NJSA 40A:45-45 (b) and 40A:4-45.3 (bb)	-	-	-	-	-
Total Other Operations - Excluded From "CAPS"	1,490,987	1,490,987	1,488,903	2,084	-
<b>Public and Private Programs Offset by Revenues</b>					
Matching Funds for Grants	35,000	35,000		35,000	
American Rescue Plan - Federal Funding	2,200,000	2,200,000	2,200,000		
Distracted Driving Crackdown 2021	-	\$ 10,500	\$ 10,500		
Strengthening Local Public Health Capacity	-	142,236	142,236		
NPP COVID-19 - Additional	-	700,000	700,000		
Regional Stationhouse Adj 2021	-	45,000	45,000		
YSA Afterschool Grant	-	500	500		
NJDEP - It Pays to Plug In!	-	12,000	12,000		
Municipal Lead Abatement Program	-	166,877	166,877		
Body Armor (State) - FY 2020	-	10,567	10,567		
Click It or Ticket 2021 Seat Belt Mobilization	-	9,000	9,000		
Summer Food Program 2021	-	217,563	217,563		
Alcohol Education and Rehab 2021	-	9,315	9,315		
American Rescue Plan - Federal Funding	-	8,541,804	8,541,804		
Clean Communities 2019	-	82,586	82,586		
Clean Communities 2020	-	74,472	74,472		
County Open Space - 100 Steps	-	16,706	16,706		
Drunk Driving Enforcement Fund FY2020	-	200,000	200,000		
NJ DOT Youth Corp Program	-	32,000	32,000		
Recycling Tonnage Grant 2019 (FY2017)	-	160,268	160,268		
Recycling Tonnage Grant 2020 (FY2018)	-	153,337	153,337		
Stationhouse Adj (Local) - 2021 Addtl	-	3,979	3,979		
Assistance to Firefighter Grant	-	142,651	142,651		
Byrne Memorial JAG 2020	-	169,234	169,234		
Childhood Lead - 2022	-	562,500	562,500		
COVID-19 Vaccination Supplemental Funding 2022	-	50,000	50,000		
Drive Sober Labor Day 2021	-	9,000	9,000		
NJDOT TAPS - Railroad ROW	-	1,000,000	1,000,000		
NPP Year 2 (2021-2022)	-	125,000	125,000		
Ryan White FY 2021	-	137,441	137,441		
Safe and Secure 2021	-	48,600	48,600		
Strengthening Local Public Health Capacity	-	291,042	291,042		
WIC FY 2022	-	1,116,055	1,116,055		
WIC Infrastructure Grant FY 2022	-	32,800	32,800		
NJDOT- Safe Streets to Transit FY 2021	-	200,000	200,000		
HOPWA 2021	-	150,000	150,000		
HOPWA COVID-19 20-21 Additional	-	10,224	10,224		
NJ DOT FY2022	-	782,700	782,700		
Municipal Alliance FY2022	-	17,312	17,312		
NJ OAG - FY21 Body Worn Camera Grant	-	244,560	244,560		
DOT TAPS - Mrkt St - PE & FD Phase	-	141,024	141,024		
Total Public and Private Program Offset by Revenues	2,235,000	18,053,853	18,018,853	35,000	-
Total Operations - Excluded from "CAPS"	3,725,987	19,544,840	19,507,756	37,084	-
<b>Detail:</b>					
Other Expenses	3,725,987	19,544,840	19,507,756	37,084	-

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF PASSAIC**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Canceled</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 250,000	\$ 250,000	\$ 250,000		
Gun Range Improvements	190,000	20,000	9,400	\$ 10,600	
Parks/Roads Improvement	385,000	555,000	16,088	538,912	
Purchase of Wheel Loader	225,000	225,000	225,000	-	-
	<u>1,050,000</u>	<u>1,050,000</u>	<u>500,488</u>	<u>549,512</u>	<u>-</u>
Total Capital Improvements - Excluded from "CAPS"					
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,250,000	1,250,000	1,250,000		
Interest on Bonds	287,000	287,000	286,819		\$ 181
Interest on Notes	89,160	89,160	89,160		
Payment of Loan Principal and Interest	135,880	135,880	135,873	-	7
	<u>1,762,040</u>	<u>1,762,040</u>	<u>1,761,852</u>	<u>-</u>	<u>188</u>
Total Municipal Debt Service - Excluded from "CAPS"					
Total General Appropriations for Municipal Purposes Excluded from "CAPS"					
	<u>6,538,027</u>	<u>22,356,880</u>	<u>21,770,096</u>	<u>\$ 586,596</u>	<u>188</u>
Subtotal General Appropriations					
	99,342,022	115,160,875	104,832,137	10,328,550	188
Reserve for Uncollected Taxes					
	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations					
	<u>\$ 100,692,022</u>	<u>\$ 116,510,875</u>	<u>\$ 106,182,137</u>	<u>\$ 10,328,550</u>	<u>\$ 188</u>
	<u>Reference</u>	A-2	A-1	A,A-1	
Budget					
Appropriation by 40A:4-87	A-3	\$ 100,692,022			
	A-2	<u>15,818,853</u>			
		<u>\$ 116,510,875</u>			
Cash Disbursed					
Encumbrances Payable	A-4		\$ 78,914,815		
Due to Redevelopment Authority	A-23		2,799,559		
Due to Other Trust Fund	A-11		10,000		
Due to Grant Fund - Appropriated Grants	B-8		3,898,000		
Due to Grant Fund	A-8		18,018,853		
Due to General Capital Fund	A-8		750		
Due to Sewer Operating Fund	C-4		339,160		
Reserve for Uncollected Taxes	D-11		851,000		
	A-2		<u>1,350,000</u>		
			<u>\$ 106,182,137</u>		

**CITY OF PASSAIC**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	December 31, <u>2021</u>	December 31, <u>2020</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL FUND</b>			
Cash	B-1	\$ 37,335	\$ 42,850
		<u>37,335</u>	<u>42,850</u>
<b>OTHER TRUST FUND</b>			
Cash	B-1	16,507,026	15,966,889
Cash - Change Fund	B-6	200	200
Due from Current Fund	B-7	5,858,646	2,379,337
Due from Grant Fund	B-8	<u>1,000,657</u>	<u>684,802</u>
		<u>23,366,529</u>	<u>19,031,228</u>
<b>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</b>			
Cash	B-1	325,034	55,906
Due from HUD	B-10	3,305,970	2,176,515
Other Receivables	B-13	<u>155,454</u>	<u>155,454</u>
		<u>3,786,458</u>	<u>2,387,875</u>
<b>HOME INVESTMENT PROGRAM FUND</b>			
Cash	B-1	265,019	87,956
Due from HUD	B-12	6,958,346	2,283,484
Mortgage Receivable	B-14	455,237	455,237
Due from Grant Fund	B-18	167,036	167,036
Due from CDBG Fund	B-19	<u>93,662</u>	<u>-</u>
		<u>7,939,300</u>	<u>2,993,713</u>
<b>Total Assets</b>		<u>\$ 35,129,622</u>	<u>\$ 24,455,666</u>

**CITY OF PASSAIC**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	December 31, <u>2021</u>	December 31, <u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL FUND			
Encumbrances Payable	B-5	\$ 5,189	\$ 2,154
Due State of New Jersey	B-2		492
Due to Current Fund	B-4	8,223	10,461
Reserve for Animal Control Expenditures	B-3	<u>23,923</u>	<u>29,743</u>
		<u>37,335</u>	<u>42,850</u>
OTHER TRUST FUND			
Miscellaneous Reserves and Deposits	B-9	<u>23,366,529</u>	<u>19,031,228</u>
		<u>23,366,529</u>	<u>19,031,228</u>
COMMUNITY DEVELOPMENT BLOCK GRANT FUND			
Due to Current Fund	B-16	341,588	146,601
Due to Grant Fund	B-17	94,505	
Due to Home Fund	B-19	93,662	
Reserve for Program Expenditures - UDAG	B-15	8,122	8,122
Reserve for Program Expenditures - CDBG	B-11	<u>3,248,581</u>	<u>2,233,152</u>
		<u>3,786,458</u>	<u>2,387,875</u>
HOME INVESTMENT PROGRAM FUND			
Due to Current Fund	B-20	400,513	324,222
Reserve for Mortgage Receivable	B-14	455,237	455,237
Reserve for Home Investment Program	B-21	<u>7,083,550</u>	<u>2,214,254</u>
		<u>7,939,300</u>	<u>2,993,713</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 35,129,622</u>	<u>\$ 24,455,666</u>

**CITY OF PASSAIC**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	December 31, <u>2021</u>	December 31, <u>2020</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 2,575,866	\$ 6,087,236
Due from Current Fund	C-4	466,528	
Deferred Charges to Future Taxation			
Funded	C-5	19,102,940	11,555,414
Unfunded	C-6	<u>2,075</u>	<u>8,918,075</u>
 Total Assets		 <u>\$ 22,147,409</u>	 <u>\$ 26,560,725</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-11	\$ 18,322,000	\$ 10,656,000
Green Acres Loans Payable	C-12	780,940	899,414
Bond Anticipation Notes Payable	C-10		8,916,000
Improvement Authorizations			
Funded	C-9	871,980	263,679
Unfunded	C-9		2,903,673
Encumbrances Payable	C-8	743,147	1,709,604
Capital Improvement Fund	C-7	714,806	464,806
Due to Current Fund	C-4		138
Reserve for Curb and Sidewalk Improvements	C-13		5,000
Reserve for Road and Sewer Improvements	C-14	128,171	383,792
Reserve for Sale of Property	C-15	100,000	100,000
Reserve for Payment of Debt	C-16	170,651	170,651
Fund Balance	C-1	<u>315,714</u>	<u>87,968</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 22,147,409</u>	 <u>\$ 26,560,725</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2021 and December 31, 2020 of \$2,075 and \$2,075, respectively, (See Exhibit C-17).

CITY OF PASSAIC  
 COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS  
 GENERAL CAPITAL FUND  
 AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Balance, January 1,	C	\$ 87,968	\$ 39,465
Increased by:			
Premium on Sale of Notes	C-2	<u>227,746</u>	<u>48,503</u>
Balance, December 31,	C	<u>\$ 315,714</u>	<u>\$ 87,968</u>

CITY OF PASSAIC  
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
 SEWER UTILITY FUND  
 AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	December 31, 2021	December 31, 2020
ASSETS			
OPERATING FUND			
Cash	D-4	\$ 1,582,906	\$ 194,204
Due from Sewer Utility Capital Fund	D-12	<u>48</u>	<u>48</u>
		1,582,954	194,252
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	1,268,226	975,959
Other Accounts Receivable	D-7	<u>8,294</u>	<u>9</u>
		1,276,520	975,968
Deferred Charges			
Special Emergency Authorization	D-8	488,000	488,000
Operating Deficit	D-8	<u>346,686</u>	<u>-</u>
		834,686	488,000
 Total Operating Fund		 <u>3,694,160</u>	 <u>1,658,220</u>
CAPITAL FUND			
Cash	D-4,D-5	6,608	6,608
Fixed Capital	D-9	5,887,974	5,887,974
Fixed Capital Authorized and Uncompleted	D-10	<u>35,766</u>	<u>35,766</u>
 Total Capital Fund		 <u>5,930,348</u>	 <u>5,930,348</u>
		<u>\$ 9,624,508</u>	<u>\$ 7,588,568</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-3,D-15	\$ 81,847	\$ 86,977
Encumbrances Payable	D-13	171,623	184,369
Accrued Interest on Bonds	D-14	7,382	1,552
Due to Current Fund	D-11	<u>2,068,839</u>	<u>321,405</u>
		2,329,691	594,303
Reserve for Receivables	D	1,276,520	975,968
Fund Balance	D-1	<u>87,949</u>	<u>87,949</u>
 Total Operating Fund		 <u>3,694,160</u>	 <u>1,658,220</u>
CAPITAL FUND			
Serial Bonds	D-19	816,000	946,000
Due to Sewer Utility Operating Fund	D-12	48	48
Improvement Authorizations			
Funded	D-16	35,766	35,766
Reserve for Amortization	D-17	5,027,974	4,897,974
Reserve for Deferred Amortization	D-18	35,766	35,766
Reserve for Payment of Debt	D-20	<u>14,794</u>	<u>14,794</u>
 Total Capital Fund		 <u>5,930,348</u>	 <u>5,930,348</u>
		<u>\$ 9,624,508</u>	<u>\$ 7,588,568</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2021 and December 31, 2020 of \$44,000 and \$44,000, respectively, (See Exhibit D-21).

The Accompanying Notes are an Integral Part of these Financial Statements

CITY OF PASSAIC  
 COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE  
 REGULATORY BASIS  
 SEWER UTILITY OPERATING FUND  
 AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Anticipated	D		\$ 290,390
Sewer Rents	D-2	\$ 5,228,723	5,381,154
Non-Budget Revenues	D-2	30,535	11,310
Other Credits to Income:			
Unexpended Balances of Appropriation Reserves	D		31,562
Special Emergency Authorization - Covid 19	D	-	<u>488,000</u>
 Total Income		 <u>5,259,258</u>	 <u>6,202,416</u>
 EXPENDITURES			
Operating	D-3	6,295,000	6,180,750
Debt Service	D-3	<u>161,944</u>	<u>155,383</u>
 Total Expenditures		 <u>6,456,944</u>	 <u>6,336,133</u>
 Excess/(Deficit) in Revenues		 (1,197,686)	 (133,717)
 Adjustment to Income Before Fund Balance			
Realized from General Budget for Anticipated Deficit	D-2	<u>851,000</u>	<u>184,000</u>
		851,000	184,000
 Operating Deficit to be Raised in Budget of Succeeding Year	D-8	 <u>346,686</u>	
 Statutory Excess to Fund Balance			50,283
 Fund Balance, Beginning of Year,	D	 <u>87,949</u>	 <u>328,056</u>
		87,949	378,339
 Decreased by:			
Utilized as Anticipated Revenue	D	<u>-</u>	<u>290,390</u>
 Fund Balance, End of Year,	D	 <u>\$ 87,949</u>	 <u>\$ 87,949</u>

**CITY OF PASSAIC**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**SEWER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Sewer Rents and Charges	D-1	\$ 5,606,000	\$ 5,228,723	\$ (377,277)
Deficit (General Budget)	D-2	<u>851,000</u>	<u>851,000</u>	<u>-</u>
 Total Budget Revenues	 D-3	 <u>\$ 6,457,000</u>	 6,079,723	 <u>\$ (377,277)</u>
 Non-Budget Revenues	 D-2		 <u>30,535</u>	
			 <u>\$ 6,110,258</u>	
Analysis of Revenue Realized:				
Sewer Rents and Charges:				
Consumer Accounts Receivable Collections	D-6		\$ 5,068,994	
Other Accounts Receivable Collections	D-7		<u>159,729</u>	
	D-2		 <u>\$ 5,228,723</u>	
 Non-Budget Revenue:				
Prior Year Reimbursements	D-11		<u>\$ 30,535</u>	
	D-2		 <u>\$ 30,535</u>	
 Due from Current Fund	 D-11		 <u>\$ 30,535</u>	

**CITY OF PASSAIC**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**SEWER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATING</b>					
Other Expenses	\$ 225,000	\$ 225,000	\$ 143,905	\$ 81,095	
Sewer Treatment Expenses	5,425,000	5,425,000	5,424,431	569	
Sewer Maintenance Fee - Contractual	<u>645,000</u>	<u>645,000</u>	<u>644,817</u>	<u>183</u>	<u>-</u>
Total Operating	<u>6,295,000</u>	<u>6,295,000</u>	<u>6,213,153</u>	<u>81,847</u>	<u>-</u>
<b>DEBT SERVICE</b>					
Payment of Bond Principal	130,000	130,000	130,000		
Interest on Bonds	<u>32,000</u>	<u>32,000</u>	<u>31,944</u>	-	<u>\$ 56</u>
Total Debt Service	<u>162,000</u>	<u>162,000</u>	<u>161,944</u>	-	<u>56</u>
	<u>\$ 6,457,000</u>	<u>\$ 6,457,000</u>	<u>\$ 6,375,097</u>	<u>\$ 81,847</u>	<u>\$ 56</u>
	<u>Reference</u>	D-2	D-3	D-1	D,D-1
Disbursed		D-4		\$ 6,015,415	
Encumbrances Payable		D-13		171,623	
Due to Current Fund		D-11		156,115	
Accrued Interest on Bonds		D-14		<u>31,944</u>	
				<u>\$ 6,375,097</u>	

**CITY OF PASSAIC  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL FIXED ASSETS ACCOUNT GROUP  
AS OF DECEMBER 31, 2021 AND 2020**

	December 31, <u>2021</u>	December 31, <u>2020</u>
<b>ASSETS</b>		
Land	\$ 47,610,504	\$ 47,610,504
Buildings and Building Improvements	19,681,759	15,446,161
Machinery and Equipment	3,665,458	3,597,707
Vehicles	<u>4,665,076</u>	<u>3,834,203</u>
	<u>\$ 75,622,797</u>	<u>\$ 70,488,575</u>
<b>LIABILITIES</b>		
Investments in General Fixed Assets	<u>\$ 75,622,797</u>	<u>\$ 70,488,575</u>

**NOTES TO FINANCIAL STATEMENTS**

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Passaic (the "City") was incorporated in 1917 and operates under an elected Mayor and Council form of government. The Mayor and the seven council members are elected at-large, for terms of four years. The Mayor is the Chief Executive Officer of the City and as such presides over all public meetings and makes appointments to various boards. The City Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A City Administrator is appointed by the City Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all City affairs and for the day to day operations of the City. The City Administrator is the Chief Administrative Officer for the City. The City's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the City do not include the Passaic Public Library, Passaic Redevelopment Agency, Passaic Parking Authority and Passaic Enterprise Zone Development Corporation which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

**B. Description of Regulatory Basis of Accounting**

The financial statements of the City of Passaic have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. **Basis of Presentation – Financial Statements**

The City uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain City functions or activities. The City also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The City has the following funds and account group:

*Current Fund* – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

*Trust Funds* - These funds are used to account for assets held by the government in a trustee capacity. Funds held by the City as an agent for individuals, private organizations, or other governments are recorded in the Trust Funds.

*Animal Control Fund* - This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by NJS 4:19-15.11.

*Other Trust Fund* - This fund is established to account for the assets and resources, which are held by the City as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the City as collateral.

*Community Development Block Grant Fund* - This fund is used to account for grant proceeds, program income and related expenditures for Federal Block grant entitlements.

*Home Investment Program Fund* - This fund is used to account for the grant proceeds, program income and related expenditures for the Federal Home Investment Partnership Program.

*General Capital Fund* – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

*Sewer Utility Fund* - This fund is used to account for the revenues and expenditures for the operation of the City's sanitary sewerage system and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

*General Fixed Assets Account Group* - This account group is used to account for all general fixed assets of the City, other than those accounted for in the sewer utility fund. The City's infrastructure is not reported in the account group.

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

**Reclassifications** - Certain reclassifications may have been made to the December 31, 2020 balances to conform to the December 31, 2021 presentation.

**Financial Statements – Regulatory Basis**

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The City presents the regulatory basis financial statements listed in the table of contents which are required by the Division and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The City of Passaic follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division (“regulatory basis of accounting”) differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

**Cash and Investments** - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. GAAP requires that all investments be reported at fair value.

**Inventories** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

**Property Tax Revenues/Receivables** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the City. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The City also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The City may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Miscellaneous Revenues/Receivables - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Sewer Utility Revenues/Receivables - Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City's Sewer Utility Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant and Similar Award Revenues/Receivables - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the City's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

Property Acquired for Taxes – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

Deferred Charges – Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

Appropriation Reserves – Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

**Expenditures** – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

**Encumbrances** - Contractual orders outstanding at December 31, are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under GAAP.

**Compensated Absences** - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

**Incurred But Not Reported (IBNR) Reserves and Claims Payable** - The City has not created a reserve for any potential unreported self-insurance losses which have taken place but in which the City has not received notices or report of losses (i.e. IBNR). Additionally, the City has not recorded a liability for those claims filed, but which have not been paid (i.e. claims payable). GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining potential claims are recorded as a long-term obligation in the government-wide financial statements.

**Tax Appeals and Other Contingent Losses** - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

**Operating Deficits** – Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year are recorded as deferred charges on the balance sheet of the respective operating fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of operating deficits at year end.

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the City of Passaic has developed a fixed assets accounting and reporting system. Fixed assets are defined by the City as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized.

**CITY OF PASSAIC  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**General Fixed Assets (Continued)**

General Fixed Assets purchased after December 31, 2018 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 2018 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the Sewer Utility Funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Sewer Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

**D. Measurement Focus and Basis of Accounting (Continued)**

**Use of Estimates** - The preparation of financial statements requires management of the City 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 accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting** - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

The City is not required to adopt budgets for the following funds:

- Trust Funds
- General Capital Fund
- Sewer Utility Capital Fund

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgets and Budgetary Accounting (Continued)**

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2021 and 2020 the City Council increased the original budget by \$15,818,853 and \$10,602,772. The increases were funded by additional aid allotted to the City. In addition, the governing body approved several budget transfers during 2021 and 2020.

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

The City considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

**A. Cash Deposits**

The City's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The City is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC or NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2021 and 2020, the book value of the City's deposits were \$78,383,014 and \$64,723,196 and bank and brokerage firm balances of the City's deposits amounted to \$79,623,886 and \$64,119,322, respectively. The City's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Insured	\$ 79,623,886	\$ 64,119,322

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk. As of December 31, 2021 and 2020, the City's bank balances were not exposed to custodial credit risk.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments**

The City is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the City or bonds or other obligations of the school districts which are a part of the City or school districts located within the City, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e).

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are held by an outside party. The City does not have a policy for custodial risk.

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The City does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. The City places no limit in the amount the City may invest in any one issuer.

As of December 31, 2021 and 2020 the City had no outstanding investments.

Interest earned in the General Capital Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting. Interest earned in the Sewer Utility Capital Fund is assigned to the Sewer Utility Operating Fund in accordance with the regulatory basis of accounting.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE**

Receivables at December 31, 2021 consisted of the following:

	<u>Current</u>	<u>Sewer Utility</u>	<u>Total</u>
<b><u>2021</u></b>			
Property Taxes	\$ 45,045		\$ 45,045
Tax Title Liens	292,744		292,744
Utility Rents and Fees	<u>-</u>	<u>\$ 1,276,520</u>	<u>1,276,520</u>
	<u>\$ 337,789</u>	<u>\$ 1,276,520</u>	<u>\$ 1,614,309</u>

In the year ended December 31, 2021, the City collected \$674,332 and \$975,968 from delinquent taxes and sewer utility rents, which represented 69% and 100% of the delinquent tax and sewer charges receivable at December 31, 2020.

	<u>Current</u>	<u>Sewer Utility</u>	<u>Total</u>
<b><u>2020</u></b>			
Property Taxes	\$ 688,761		\$ 688,761
Tax Title Liens	289,602		289,602
Special Assessment	136,037		136,037
Utility Rents and Fees	<u>-</u>	<u>\$ 975,968</u>	<u>975,968</u>
	<u>\$ 1,114,400</u>	<u>\$ 975,968</u>	<u>\$ 2,090,368</u>

In the year ended December 31, 2020, the City collected \$216,205 and \$830,157 from delinquent taxes and sewer utility rents, which represented 27% and 100% of the delinquent tax and sewer charges receivable at December 31, 2019.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 5 DUE TO/FROM OTHER FUNDS**

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<b>December 31, <u>2021</u></b>		<b>December 31, <u>2020</u></b>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund				
Regular	\$ 2,819,163	\$ 8,909,282	\$ 3,405,444	\$ 2,379,337
Grant	2,678,613	1,167,693		3,454,455
Trust Funds				
Animal Control		8,223		10,461
Other Trust	6,859,303		3,064,139	
Community Development		529,755		146,601
Home Investment Program	260,698	400,513	167,036	324,222
General Capital Fund	466,528			138
Sewer Utility Fund				
Operating	48	2,068,839	48	321,405
Capital	-	48	-	48
Total	<u>\$ 13,084,353</u>	<u>\$ 13,084,353</u>	<u>\$ 6,636,667</u>	<u>\$ 6,636,667</u>

The above balances are the result of expenditures being paid by one fund on behalf of another.

The City expects all interfund balances to be liquidated within one year.

**NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<b><u>2021</u></b>			
Current Fund			
Regular Fund			
Special Emergency Authorizations	<u>\$ 804,000</u>	<u>\$ 160,800</u>	<u>\$ 643,200</u>
<b><u>2020</u></b>			
Current Fund			
Regular Fund			
Special Emergency Authorizations	<u>\$ 804,000</u>	<u>\$ -</u>	<u>\$ 804,000</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 7 FUND BALANCES APPROPRIATED**

Under the regulatory basis of accounting, fund balances in the Current Fund and Sewer Utility Operating Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year’s budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year’s budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund’s budget for the succeeding year were as follows:

	<u>2021</u>		<u>2020</u>	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 15,644,221	\$ 4,540,000	\$ 10,154,686	\$ 4,340,000
Non-Cash Surplus	<u>854,234</u>	<u>-</u>	<u>854,221</u>	<u>-</u>
	<u>\$ 16,498,455</u>	<u>\$ 4,540,000</u>	<u>\$ 11,008,907</u>	<u>\$ 4,340,000</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 87,901		\$ 87,901	
Non-Cash Surplus	<u>48</u>	<u>-</u>	<u>48</u>	<u>-</u>
	<u>\$ 87,949</u>	<u>\$ -</u>	<u>\$ 87,949</u>	<u>\$ -</u>

The above fund balance amounts appropriated represents the surplus anticipated in the 2022 introduced municipal budget. The 2022 municipal budget has not been legally adopted as of the date of audit.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 8 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2021 and 2020.

	Balance December 31, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
<b><u>2021</u></b>				
Land	\$ 47,610,504			\$ 47,610,504
Buildings and Building Improvements	15,446,161	\$ 4,238,285		19,684,446
Machinery and Equipment	3,597,707	348,884		3,946,591
Vehicles	3,834,203	547,053	-	4,381,256
	<u>\$ 70,488,575</u>	<u>\$ 5,134,222</u>	<u>\$ -</u>	<u>\$ 75,622,797</u>

	Balance December 31, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2020</u>
<b><u>2020</u></b>				
Land	\$ 46,110,504	\$ 1,500,000		\$ 47,610,504
Buildings and Building Improvements	14,863,130	583,031		15,446,161
Machinery and Equipment	3,034,166	563,541		3,597,707
Vehicles	3,137,378	696,825	-	3,834,203
	<u>\$ 67,145,178</u>	<u>\$ 3,343,397</u>	<u>\$ -</u>	<u>\$ 70,488,575</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 8 FIXED ASSETS (Continued)**

**B. Sewer Utility Fund Fixed Assets**

The following is a summary of changes in the utility fund(s) fixed assets for the years ended December 31, 2021 and 2020.

**Sewer Utility Fund**

	Balance December 31, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
<b><u>2021</u></b>				
Fixed Capital				
System and System Improvements	\$ 5,577,974			\$ 5,577,974
Vehicles and Equipment	<u>310,000</u>	<u>-</u>	<u>-</u>	<u>310,000</u>
	<u>\$ 5,887,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,887,974</u>
	Balance December 31, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2020</u>
<b><u>2020</u></b>				
Fixed Capital				
System and System Improvements	\$ 5,577,974			\$ 5,577,974
Vehicles and Equipment	<u>310,000</u>	<u>-</u>	<u>-</u>	<u>310,000</u>
	<u>\$ 5,887,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,887,974</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 MUNICIPAL DEBT**

The Local Bond Law (N.J.S.A. 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both General Capital and Utility Capital fund projects and acquisitions or other purposes permitted by the Local Bond Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The City's debt is summarized as follows:

	<b>December 31, <u>2021</u></b>	<b>December 31, <u>2020</u></b>
Issued		
General		
Bonds, Notes and Loans	\$ 19,102,940	\$ 20,471,414
Sewer Utility		
Bonds	<u>816,000</u>	<u>946,000</u>
	19,918,940	21,417,414
Less Funds Temporarily Held to Pay Bonds and Notes	<u>(185,445)</u>	<u>(185,445)</u>
Net Debt Issued	19,733,495	21,231,969
Authorized But Not Issued		
General		
Bonds and Notes	2,075	2,075
Sewer Utility		
Bonds and Notes	<u>44,000</u>	<u>44,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 19,779,570</u>	<u>\$ 21,278,044</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the City's Annual Debt Statement and indicates a statutory net debt of .48% and .54% at December 31, 2021 and 2020, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2021</u></b>			
General Debt	\$ 19,105,015	\$ 170,651	\$ 18,934,364
Sewer Utility Debt	<u>860,000</u>	<u>14,794</u>	<u>845,206</u>
Total	<u>\$ 19,965,015</u>	<u>\$ 185,445</u>	<u>\$ 19,779,570</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2020</u></b>			
General Debt	\$ 20,473,489	\$ 170,651	\$ 20,302,838
Sewer Utility Debt	<u>990,000</u>	<u>14,794</u>	<u>975,206</u>
Total	<u>\$ 21,463,489</u>	<u>\$ 185,445</u>	<u>\$ 21,278,044</u>

**Statutory Borrowing Power**

The City's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2021</u>	<u>2020</u>
3-1/2% of Equalized Valuation Basis (Municipal) Net Debt	\$ 143,504,858 <u>19,779,570</u>	\$ 137,692,966 <u>21,278,044</u>
Remaining Borrowing Power	<u>\$ 123,725,288</u>	<u>\$ 116,414,922</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

The City’s long-term debt consisted of the following at December 31:

**General Obligation Bonds**

The City levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
\$8,581,000 2017 General Obligation Bonds, due in annual installments of \$600,000 to \$1,100,000 through June 15, 2029, interest at 2.00% to 3.00%	\$ 6,281,000	\$ 6,881,000
\$3,775,000 2020 General Obligation Refunding Bonds, due in annual installments of \$600,000 to \$650,000 through August 1, 2026, interest rate at 5.00%	3,125,000	3,775,000
\$8,916,000 2021 General Obligation Bonds, due in annual installments of \$301,000 to \$600,000 through August 15, 2038, interest rate at 2.00%	<u>8,916,000</u>	<u>-</u>
	<u>\$ 18,322,000</u>	<u>\$ 10,656,000</u>

**General Intergovernmental Loans Payable**

The City has entered into a loan agreement(s) with the State of New Jersey Green Acres Program for the financing relating to the Dundee Island Field Rehabilitation, Third Ward Park Improvements, Hughes Lake Improvements, Pulaski Park Renovations and Roberto Clemente Field Improvements. The City levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
\$200,000, 2006 Loan, due in semi-annual installments of \$5,574 to 6,157 through March, 2026, interest at 2%	\$ 53,266	\$ 64,469
\$500,000, 2008 Loan, due in semi-annual installments of \$20,395 to \$21,013 through July, 2022, interest at 2%	41,817	82,810
\$100,000, 2008 Loan, due in semi-annual installments of \$2,731 to \$3,078 through June, 2027, interest at 2%	32,235	37,726

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

**General Intergovernmental Loans Payable (Continued)**

	<u>2021</u>	<u>2020</u>
\$250,000, 2009 Loan, due in semi-annual installments of \$10,299 to \$10,506 through April, 2022, interest at 2%	\$ 10,506	\$ 31,208
\$21,000, 2009 Loan, due in semi-annual installments of \$562 to \$646 through June, 2028, interest at 2%	7,923	9,053
\$250,000, 2018 Loan, due in semi-annual installments of \$6,462 to \$8,624 through September, 2035, interest at 2%	211,796	224,785
\$499,770, 2018 Loan, due in semi-annual installments of \$12,918 to \$17,240 through September, 2035, interest at 2%	423,397	449,363
	<u>\$ 780,940</u>	<u>\$ 899,414</u>

**Sewer Utility Bonds**

The City pledges revenue from operations to pay debt service on Sewer Utility Bonds issued. The Sewer Utility Bonds outstanding at December 31 are as follows:

**Sewer Utility**

	<u>2021</u>	<u>2020</u>
\$646,000, 2017 Sewer Bonds, due in annual installments of \$40,000 to 80,000 through June 15, 2029, interest at 2.00% to 3.00%	\$ 486,000	\$ 526,000
\$420,000, 2020 Sewer Refunding Bonds, due in annual installments of \$80,000 to \$90,000 through August 1, 2025, interest at 5.00%	330,000	420,000
	<u>\$ 816,000</u>	<u>\$ 946,000</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

The City's principal and interest for long-term debt issued and outstanding as of December 31, 2021 is as follows:

Calendar Year	General						Total
	Bonds		Loans		Sewer Utility		
	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$ 1,501,000	\$ 482,797	\$ 110,244	\$ 15,018	\$ 120,000	\$ 28,280	\$ 2,257,339
2023	1,580,000	439,730	59,085	13,120	120,000	23,480	2,235,415
2024	1,635,000	389,980	60,272	11,932	130,000	18,630	2,245,814
2025	1,665,000	338,230	61,484	10,721	130,000	13,480	2,218,915
2026	1,695,000	285,355	56,501	9,485	80,000	7,930	2,134,271
2027-2031	6,046,000	738,275	233,477	32,811	236,000	10,500	7,297,063
2032-2036	3,000,000	300,000	199,877	9,099	-	-	3,508,976
2037-2038	1,200,000	36,000	-	-	-	-	1,236,000
	<u>\$ 18,322,000</u>	<u>\$ 3,010,367</u>	<u>\$ 780,940</u>	<u>\$ 102,186</u>	<u>\$ 816,000</u>	<u>\$ 102,300</u>	<u>\$ 23,133,793</u>

**Changes in Long-Term Municipal Debt**

The City's long-term capital debt activity for the years ended December 31, 2021 and 2020 were as follows:

	Balance, December 31, 2020	Additions	Reductions	Balance, December 31, 2021	Due Within One year
<b>2021</b>					
General Capital					
Serial Bonds	\$ 10,656,000	\$ 8,916,000	\$ 1,250,000	\$ 18,322,000	\$ 1,501,000
Green Acres Loan Payable	899,414	-	118,474	780,940	110,244
General Capital Fund					
Long Term Liabilities	<u>\$ 11,555,414</u>	<u>\$ 8,916,000</u>	<u>\$ 1,368,474</u>	<u>\$ 19,102,940</u>	<u>\$ 1,611,244</u>
Sewer Utility Capital					
Serial Bonds	\$ 946,000	\$ -	\$ 130,000	\$ 816,000	\$ 120,000
Sewer Utility Capital Fund					
Long Term Liabilities	<u>\$ 946,000</u>	<u>\$ -</u>	<u>\$ 130,000</u>	<u>\$ 816,000</u>	<u>\$ 120,000</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**Changes in Long-Term Municipal Debt (Continued)**

	Balance, December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One year</u>
<b><u>2020</u></b>					
General Capital					
Serial Bonds	\$ 12,255,000	\$ 3,775,000	\$ 5,374,000	\$ 10,656,000	\$ 1,250,000
Green Acres Loan Payable	<u>1,015,554</u>	<u>-</u>	<u>116,140</u>	<u>899,414</u>	<u>118,474</u>
General Capital Fund					
Long Term Liabilities	<u>\$ 13,270,554</u>	<u>\$ 3,775,000</u>	<u>\$ 5,490,140</u>	<u>\$ 11,555,414</u>	<u>\$ 1,368,474</u>
Sewer Utility Capital					
Serial Bonds	\$ 1,106,000	\$ 420,000	\$ 580,000	\$ 946,000	\$ 130,000
Sewer Utility Capital Fund					
Long Term Liabilities	<u>\$ 1,106,000</u>	<u>\$ 420,000</u>	<u>\$ 580,000</u>	<u>\$ 946,000</u>	<u>\$ 130,000</u>

**B. Short-Term Debt**

The City's short-term debt activity for the years ended December 31, 2021 and 2020 was as follows:

**Bond Anticipation Notes**

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>
<b><u>2021</u></b>						
<b><u>General Capital Fund</u></b>						
Various Capital Improvements	1.00%	8/26/2021	\$ 7,345,000		\$ 7,345,000	-
Purchase of Property	1.00%	8/26/2021	<u>1,571,000</u>	<u>-</u>	<u>1,571,000</u>	<u>-</u>
Total General Capital Fund			<u>\$ 8,916,000</u>	<u>\$ -</u>	<u>\$ 8,916,000</u>	<u>\$ -</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2020</u>
<b><u>2020</u></b>						
<u>General Capital Fund</u>						
Various Capital Improvements	1.00%	8/26/2021	\$ 4,500,000	\$ 7,345,000	\$ 4,500,000	\$ 7,345,000
Purchase of Property	1.00%	8/26/2021	-	1,571,000	-	1,571,000
Total General Capital Fund			<u>\$ 4,500,000</u>	<u>\$ 8,916,000</u>	<u>\$ 4,500,000</u>	<u>\$ 8,916,000</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by the Local Bond Law NJSA 40A:2 et. seq. The amounts issued for general governmental activities are accounted for in the General Capital Fund. The amounts issued for the sewer utility activities are accounted for in the Sewer Utility Capital Fund.

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

As of December 31, the City had the following commitments with respect to unfinished capital projects:

<u>Project/Purpose</u>	<u>Construction / Other Commitment</u>	<u>Estimated Date of Acquisition/ Completion</u>
<b><u>2021</u></b>		
Window Restoration	\$ 230,520	2022
Latona Griffin Park - 100 Step Reconstruction	193,362	2022
Madison Street Road Improvements	109,151	2022
Renovations to Public Works Garage and Offices	266,321	2022
2020 Road Improvement Program	303,816	2022

**CITY OF PASSAIC  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)**

<u>Project/Purpose</u>	<u>Construction / Other Commitment</u>	<u>Estimated Date of Acquisition/ Completion</u>
<u>2020</u>		
Building Masonry Restoration	\$ 112,183	2021
Concrete Repairs - Stairs, Ramp and Apron	85,331	2021
Window Restoration	1,231,000	2021
2019 Road Improvement Program	99,069	2021
Traffic Signal Improvements	381,688	2021
Document Image Scanning Services	630,457	2021

**NOTE 11 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

Under the existing policies and labor agreements of the City, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$6,134,216 and \$6,940,426 at December 31, 2021 and 2020, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2021 and 2020, the City has reserved in the Other Trust Fund \$4,637,849 and \$3,500,743, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**B. Deferred Pension Obligation**

During the year ended December 31, 2009 the City elected to contribute 50% of its normal and accrued liability components of the PFRS and PERS obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$3,644,176 and will be paid back with interest over 15 years beginning in the 2012 year. The City is permitted to payoff the deferred PFRS and PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (7.00% effective July 1, 2017) at December 31, 2021 and 2020 is \$2,059,827 and \$2,405,794, respectively.

During the years ended December 31, 2021, 2020 and 2019 the City was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

<u>Year Ended December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2021	\$ 67,638	\$ 446,735
2020	67,459	446,294
2019	66,916	444,055

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)**

**Changes in Other Long-Term Liabilities**

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The City's changes in other long-term liabilities for the years ended December 31, 2021 and 2020 were as follows:

	Balance, December 31, <u>2020</u>	Additions/ <u>Adjustments</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One year</u>
<b><u>2021</u></b>					
Compensated Absences	\$ 6,940,426	\$ 106,684	\$ 912,894	\$ 6,134,216	
Deferred Pension Obligation	2,405,794	168,406	514,373	2,059,827	\$ 524,086
Net Pension Liability - PERS (1)	24,451,547			24,451,547	
Net Pension Liability - PFRS (1)	99,961,736			99,961,736	
Net OPEB Liability (1)	<u>161,037,829</u>	<u>-</u>	<u>-</u>	<u>161,037,829</u>	<u>-</u>
Other Long-Term Liabilities	<u>\$ 294,797,332</u>	<u>\$ 275,090</u>	<u>\$ 1,427,267</u>	<u>\$ 293,645,155</u>	<u>\$ 524,086</u>
	Balance, December 31, <u>2019</u>	Additions/ <u>Adjustments</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One year</u>
<b><u>2020</u></b>					
Compensated Absences	\$ 5,725,941	\$ 2,048,347	\$ 833,862	\$ 6,940,426	
Deferred Pension Obligation	2,728,549	190,998	513,753	2,405,794	\$ 514,373
ERIP Pension Liability	44,499	145,353	189,852	-	
Net Pension Liability - PERS	27,288,356		2,836,809	24,451,547	
Net Pension Liability - PFRS	96,662,261	3,299,475		99,961,736	
Net OPEB Liability	<u>80,914,611</u>	<u>80,123,218</u>	<u>-</u>	<u>161,037,829</u>	<u>-</u>
Other Long-Term Liabilities	<u>\$ 213,364,217</u>	<u>\$ 85,807,391</u>	<u>\$ 4,374,276</u>	<u>\$ 294,797,332</u>	<u>\$ 514,373</u>

(1) GASB Statement Numbers 68 Pension and 75 OPEB financial information was not provided by the State's Division of Pensions and Benefits as of the date of audit.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those City employees who are eligible for pension coverage.

**Consolidated Police and Firemen’s Pension Fund (CPFPPF)** – established in January 1952, under the provisions of N.J.S.A. 43:16 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members. Additionally, based on recent actuarial valuation there was no normal cost or accrued liability contributions required for the fiscal year ended June 30, 2017. CPFPPF is a single-employer defined benefit plan. For additional information about CPFPPF, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Police and Firemen’s Retirement System (PFRS)** – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**Public Employees’ Retirement System (PERS)** – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which, if applicable, vest after 25 years of service or under the disability provisions of PERS.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those City employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2021 was not available and for June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32% at June 30, 2020. The collective net pension liability of the participating employers for local PFRS at June 30, 2021 was not available and for June 30, 2020 is \$14.9 billion and the plan fiduciary net position as a percentage of total pension liability is 63.52% at June 30, 2020.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

**Actuarial Methods and Assumptions**

In the July 1, 2019 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2021 and 2020 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Employer and Employee Pension Contributions (Contributions)**

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the City for 2021, 2020 and 2019 were equal to the required contributions.

During the years ended December 31, 2021, 2020 and 2019, the City, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u>	<u>CPFPE</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2021		\$ 8,642,642	\$ 1,640,287	\$ 48,918
2020	6,732	7,813,431	1,473,136	48,739
2019		7,448,915	1,539,070	45,201

In addition for the years ended December 31, 2021, 2020 and 2019 the City contributed for long-term disability insurance premiums (LTDI) \$-0-, \$6,063 and \$6,532, respectively for PERS.

In addition for the years ended December 31, 2021, 2020 and 2019 the City contributed for early retirement incentive program contributions \$-0-, \$189,852 and \$189,852, respectively for PERS.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No.68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2021-10 which authorized and permits New Jersey municipalities to present the most recent available audited GASB 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB 68 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

**Public Employees Retirement System (PERS)**

At December 31, 2020, the City reported a liability of \$24,451,547 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the ratio of the City's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the City's proportionate share was .14994 percent, which was a decrease of .00151 percent from its proportionate share measured as of June 30, 2019 of .15145 percent.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

For the year ended December 31, 2020, the pension system has determined the City’s pension expense (benefit) to be \$188,559 for PERS based on the actuarial valuations which is less than the actual contribution reported in the City’s financial statements of \$1,473,136. At December 31, 2020, the City’s deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the City’s financial statements are from the following sources:

	<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 445,222	\$ 86,471
Changes of Assumptions	793,236	10,238,094
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	835,773	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>362,127</u>	<u>926,746</u>
Total	<u>\$ 2,436,358</u>	<u>\$ 11,251,311</u>

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

<u>Ending December 31,</u>	<u>Total</u>
2021	\$ (3,366,902)
2022	(2,722,969)
2023	(1,856,479)
2024	(724,163)
2025	(144,440)
Thereafter	<u>-</u>
	<u>\$ (8,814,953)</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The City’s total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2020</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020.

The actuarial assumptions used in the July 1, 2019 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020, as reported for the year ended December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

*Discount Rate*

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%

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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

	<u>2020</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

***Sensitivity of Net Pension Liability***

The following presents the City’s proportionate share of the PERS net pension liability as of December 31, 2020 calculated using the discount rate of 7.00%, as well as what the City’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2020</u>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
City's Proportionate Share of the PERS Net Pension Liability	\$ <u>30,780,419</u>	\$ <u>24,451,547</u>	\$ <u>19,081,327</u>

The sensitivity analysis was based on the proportionate share of the City’s net pension liability at December 31, 2020. A sensitivity analysis specific to the City’s net pension liability was not provided by the pension system.

**CITY OF PASSAIC  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS) (Continued)**

*Pension Plan Fiduciary Net Position*

Detailed information about the PERS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Police and Firemen’s Retirement System (PFRS)**

At December 31, 2020 the City reported a liability of \$99,961,736 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City’s proportionate share of the net pension liability was based on the ratio of the City’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the City’s proportionate share was .77362 percent, which was an increase of .00010 percent from its proportionate share measured as of June 30, 2019 of .77352 percent.

For the year ended December 31, 2020, the pension system has determined the City pension expense (benefit) to be \$5,511,103 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the City’s financial statements of \$7,813,431. At December 31, 2020, the City’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the City’s financial statements are from the following sources:

	<b>2020</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 1,007,784	\$ 358,751
Changes of Assumptions	251,553	26,799,142
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,861,224	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>3,475,780</u>	<u>3,473,218</u>
Total	<u>\$ 10,596,341</u>	<u>\$ 30,631,111</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Police and Firemen’s Retirement System (PFRS) (Continued)**

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2021	\$ (9,426,920)
2022	(6,474,421)
2023	(2,591,798)
2024	(711,226)
2025	(830,405)
Thereafter	<u>-</u>
	<u>\$ (20,034,770)</u>

***Actuarial Assumptions***

The City’s total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2020</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All Future Years 3.25%-15.25% Based on Years of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020.

The actuarial assumptions used in the July 1, 2019 valuations were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

CITY OF PASSAIC  
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NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
 Related to Pensions (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

*Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2020, as reported for the year ended December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

*Discount Rate*

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Police and Firemen’s Retirement System (PFRS) (Continued)**

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

	<b><u>2020</u></b>
Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

***Sensitivity of Net Pension Liability***

The following presents the City’s proportionate share of the PFRS net pension liability as of December 31, 2020 calculated using the discount rate of 7.00% as well as what the City’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<b><u>2020</u></b>	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
City's Proportionate Share of the PFRS Net Pension Liability	\$ <u>132,928,534</u>	\$ <u>99,961,736</u>	\$ <u>72,580,292</u>

The sensitivity analysis was based on the proportionate share of the City’s net pension liability at December 31, 2020. A sensitivity analysis specific to the City’s net pension liability was not provided by the pension system.

**CITY OF PASSAIC  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Police and Firemen's Retirement System (PFRS) (Continued)**

***Special Funding Situation – PFRS***

Under N.J.S.A. 43:16A-15, the City is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the City by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the City's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2020, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$15,513,605. For the year ended December 31, 2020, the pension system has determined the State's proportionate share of the pension expense attributable to the City for the PFRS special funding situation is \$1,758,157 which is more than the actual contribution the State made on behalf of the City of \$1,193,763. At December 31, 2020 (measurement date June 30, 2020) the State's share of the PFRS net pension liability attributable to the City was .77362 percent, which was an increase of .00010 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .77352 percent. The State's proportionate share attributable to the City was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the City's financial statements.

***Pension Plan Fiduciary Net Position***

Detailed information about the PFRS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for participating municipalities including the City.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

**State Health Benefit Program Fund – Local Government Retired (the Plan)** (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level coverage.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Measurement Focus and Basis of Accounting**

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Collective Net OPEB Liability**

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2021 was not available and for 2020 is \$17.9 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is 0.91% at June 30, 2020.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2019 which was rolled forward to June 30, 2020.

- **Actuarial Methods and Assumptions**

In the July 1, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contribution**

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The employers participating in the OPEB plan made contributions of \$292.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$35.0 million for fiscal year 2020.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The City's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2021, 2020 and 2019 were \$5,757,719, \$4,906,906 and \$7,928,183, respectively, which equaled the required contributions for each year (or were not available). In addition, the City's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2021, 2020 and 2019 were \$671,279, \$608,934 and \$555,371, respectively.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, Accounting and *Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions.

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB 75 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2021-10 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB 75 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2020, the City reported a liability of \$161,037,829, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019. The City’s proportionate share of the net OPEB liability was based on the ratio of the City’s proportionate share of the OPEB liability attributable to the City at June 30, 2020 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2020. As of the measurement date of June 30, 2020 the City’s proportionate share was .89732 percent, which was an increase of .29999 percent from its proportionate share measured as of June 30, 2019 of .59733 percent.

For the year ended December 31, 2020, the Plan has determined the City’s OPEB expense to be \$7,526,786 based on the actuarial valuation which is more than the actual contributions reported in the City’s financial statements of \$5,757,719. At December 31, 2020, the City’s deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the City’s financial statements are from the following sources:

	<b>2020</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 4,241,613	\$ 29,988,248
Changes of Assumptions	24,086,191	35,812,326
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	102,268	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	60,781,624	12,847,679
Contributions made Subsequent to the Measurement Date	-	-
Total	<u>\$ 89,211,696</u>	<u>\$ 78,648,253</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2022	\$ (1,384,476)
2023	(1,389,845)
2024	(1,398,868)
2025	(1,406,079)
2026	2,176,440
Thereafter	<u>13,966,271</u>
	<u>\$ 10,563,443</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB (Continued)**

*Actuarial Assumptions*

The City’s total OPEB liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2020</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Initial Fiscal Year Applied Through	Rate for All Future Years
Rate	3.25% to 15.25%
Rate Thereafter	Not Applicable
Mortality	
PERS	Pub-2010 General Classification Headcount- Weighted Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2020.
PFRS	Pub-2010 Safety Classification Headcount- Weighted Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2020.

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<b>Calendar Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2020	June 30, 2020	2.21%

The discount rate represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

***Sensitivity of Net OPEB Liability to Changes in the Discounts Rate***

The following presents the City’s proportionate share of the net OPEB liability as of December 31, 2020 calculated using the discount rate of 2.21%, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 1.21% or 1-percentage-point higher 3.21% than the current rate:

<b>2020</b>	<b>1% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
City's Proportionate Share of the Net OPEB Liability	<u>\$ 190,380,738</u>	<u>\$ 161,037,829</u>	<u>\$ 137,810,249</u>

The sensitivity analysis was based on the proportionate share of the City’s net OPEB liability at December 31, 2020. A sensitivity analysis specific to the City’s net OPEB liability was not provided by the Plan.

**CITY OF PASSAIC  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

*Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate*

The following presents the City’s proportionate share of the net OPEB liability as of December 31, 2020 calculated using the healthcare trend rates as disclosed above as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>2020</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
City's Proportionate Share of the Net OPEB Liability	<u>\$ 133,258,970</u>	<u>\$ 161,037,829</u>	<u>\$ 197,414,626</u>

The sensitivity analysis was based on the proportionate share of the City’s net OPEB liability at December 31, 2020. A sensitivity analysis specific to the City’s net OPEB liability was not provided by the pension system.

*Special Funding Situation*

Under N.J.S.A. 43:3C-24 the City is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium of periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the City by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the City’s proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State’s proportionate share is 100% of OPEB under this legislation.

At December 31, 2020, the State’s proportionate share of the net OPEB liability attributable to the City for the OPEB special funding situation is \$224,828. For the year ended December 31, 2020 the plan has determined the State’s proportionate share of the OPEB expense attributable to the City for the OPEB special funding situation is \$11,192. At December 31, 2020, (measurement date June 30, 2020), the State’s share of the OPEB liability attributable to the City was .00412 percent, which was a decrease of .86801 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .87213 percent. The State’s proportionate share attributable to the City was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

*OPEB Plan Fiduciary Net Position*

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 14 RISK MANAGEMENT**

The City is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The City has obtained commercial insurance coverage to guard against these events to minimize the exposure to the City should they occur.

The City has established a workman's compensation benefit plan for its employees and a general liability plan of the City. Transactions related to the plans are accounted for in the Other Trust Fund. The City contributes to fund the entire cost of the plan. Claims are paid directly by the plan with any excess benefit being reimbursed through a Re-Insurance Agreement with Specialty Claims Management, LLC and D&H Alternative Risk Solutions. The City has not created a liability for loss reserves for claims incurred which were unpaid at December 31, 2021 and 2020. In addition, the City has not created a liability for reserves for any potential unreported losses which have taken place but in which the City has not received notices or report of losses. The effect on the financial statements from these omissions could not be determined, but is probably material. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company might be unable to meet their obligations to the City under existing reinsurance agreements. As of December 31, 2021 and 2020 the City has available in the Other Trust Fund \$4,241,902 and \$3,913,464, respectively for the payment of self-insurance claims.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

**NOTE 15 CONTINGENT LIABILITIES**

The City is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the City's Attorney, the potential claims against the City not covered by insurance policies would not materially affect the financial condition of the City.

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2021 and 2020. Amounts claimed have not yet been determined. The City is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the City does not recognize a liability, if any, until these cases have been adjudicated. The City expects such amounts, if any, could be (material) or (immaterial). As of December 31, 2021 and 2020, the City reserved \$4,098,659 and \$3,490,874, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**Federal and State Awards** - The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2021 and 2020, significant amounts of grant expenditure have not been audited by the various grantor agencies but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the City.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 15 CONTINGENT LIABILITIES (Continued)**

**Overlapping Debt**

1. City is a contracting municipality with the North Jersey District Water Supply Commission – Wanaque North Project (NJDWSC - North). As such, it is entitled to 11% of the water supplied by the NJDWSC - North, and is liable for 11% of the annual operating charges, including debt service, of the NJDWSC - North. The total debt of NJDWSC - North as of December 31, 2021 and 2020 was \$12,424,601 and \$13,558,940, respectively, of which the City the Passaic's share was \$1,366,706 and \$1,491,483, respectively. The operating charges from NJDWSC – North are defrayed by water rates established by the Passaic Valley Water Commission.
2. The City owns a portion of the Passaic Valley Water Commission (PVWC). The bonds of the PVWC are secured by water revenues derived from water rate charges by the PVWC. In the event the PVWC funds are inadequate to make principal and interest payments on the bonds, the PVWC is required to adjust its rates to produce amounts sufficient to cover debt service. PVWC had \$101,106,757 and \$88,122,664 of debt outstanding as of December 31, 2021 and 2020, respectively, of which the City of Passaic's share was \$28,886,200 and \$25,176,645, respectively.
3. The City's obligations with respect to debt issued for facilities of PVWC and NJDWSC are not joint and are several with the contracting municipalities. Therefore, the City's contingent liability cannot increase as a result of nonpayment by any other contracting party.
4. The City may also be responsible for its share of County debt, Passaic County Utilities Authority debt and the PVSC debt. The County is repaid through taxes and the PVSC debt is repaid through sewer service charges.

**NOTE 16 FEDERAL ARBITRAGE REGULATIONS**

The City is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2021 and 2020, the City has not estimated its estimated arbitrage earnings due to the IRS, if any.

**NOTE 17 TAX ABATEMENTS**

For the years ended December 31, 2021 and 2020, the City provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law"), the Five-Year Exemption and Abatement Law (the "FYEA") and the New Jersey Housing and Mortgage Financing Act (NJHMFA).

- The Long Term Tax Exemption Law (NJSA 40A:20 et.seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being "in need of redevelopment". These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area "in need of redevelopment". Upon adopting the planning board's recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) in an amount based generally on a percentage of project costs or revenue generated by the project, depending on the type of project. For the years ended December 31, 2021 and 2020 the City abated property taxes totaling \$2,562,730 and \$2,542,964, respectively under the LTTE program. The City received \$1,133,636 and \$1,078,172 in PILOT payments under this program for the years ended December 31, 2021 and 2020, respectively.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 17 TAX ABATEMENTS (Continued)**

- The Five-Year Exemption and Abatement Law (NJSA 40:21et.seq.) generally concerns rehabilitation of particular buildings and structures, with an abatement period that lasts no more than five years. These “short-term” property tax abatements can be structured as reduced property tax bills that exclude all or part of improvement value or as payments in lieu of taxes (PILOTs). Procedurally, a municipality must first adopt an ordinance invoking its five-year abatement authority and setting forth application procedures. This ordinance, referred to as the general ordinance, defines the eligibility criteria, which may include types of structures, types of permissible improvements, as well as qualifying geographic zones or similar designations. An applicant must satisfy all of the criteria stipulated in the statute and general ordinance to be entitled to approval. Applications for individual short-term abatements are presented to the local governing body and must include a general description of the project, plans demonstrating the structure of the project, a statement of reasons for seeking the abatement, claimed benefits to be realized by the applicant if the application is approved, and a statement of taxes currently being assessed and taxes to be paid during the period of the abatement. The application is approved by an ordinance authorizing execution of a tax agreement. If during any tax year prior to the termination of the tax agreement, the property owner ceases to operate or disposes of the property, or fails to meet the conditions for qualifying, then the property tax which would have otherwise been payable for each year shall become due and payable from the property owner as if no exemption and abatement had been granted. For the years ended December 31, 2021 and 2020 the City abated property taxes totaling \$112,390 and \$146,166 respectively under the FYEA program.

**NOTE 18 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020 c. 74 (“Chapter 74”) on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year’s operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 18 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)**

The City of Passaic’s finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the City of Passaic’s primary revenue source for supporting its budget. The City of Passaic cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support City functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the City. However, as of the date of audit, even though the City finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the City have not been materially and adversely affected due to the COVID-19 outbreak.

The degree of any such impact on the operations and finances of the City cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the City and its economy. The City is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

The American Rescue Plan Act of 2021, H.R. 1319 (the “Plan”), signed into law by President Biden on March 11, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the City.

The City will receive \$31,131,608 from the Plan in two equal payments. On May 24, 2021, the City received its first installment of funds under the Plan in the amount of \$15,565,804. The City utilized \$4,824,000 of this first installment in the 2021 and has anticipated utilizing \$6,000,000 of the first installment in the 2022 budget to replace lost public sector revenues. The City has not yet determined how it will spend the second installment to be received. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

**CURRENT FUND**

**CITY OF PASSAIC  
STATEMENT OF CASH AND INVESTMENTS - CURRENT FUND**

Balance, December 31, 2020		\$ 41,955,667
Increased by Receipts:		
Tax Collector	\$ 112,391,457	
Revenue Accounts Receivable	23,704,612	
Nonbudget Revenue	774,664	
Due from State of New Jersey - Senior Citizen/Veterans Deductions	56,321	
Receipts from the Parking Authority	705,135	
Receipts for Grant Fund	10,758,511	
Receipts from Animal Control Fund	2,244	
Receipts for Other Trust Fund	22,876	
Receipts from Home Investment Program Trust Fund	233	
Receipts for Sewer Utility Operating Fund	30,535	
Fees Payable	75,158	
	<u>148,521,746</u>	
		190,477,413
Decreased by Disbursements:		
2021 Budget Appropriations	78,914,815	
2020 Appropriation Reserves	1,541,219	
Accounts Payable	84,646	
Encumbrances Payable	2,770,657	
County Taxes	27,386,675	
Local School Taxes	16,818,577	
Tax Overpayments	75,413	
Payments to County - Pilot Fees	44,104	
Payments for Parking Authority	36,910	
Payments for Redevelopment Authority	43,633	
Payments for Grant Fund	5,788,829	
Payments for Other Trust Fund	4,135,512	
Payments for Community Development Block Grant Fund	194,987	
Payments for Home Investment Program Fund	76,524	
Payments for Sewer Utility Operating Fund	156,115	
Payments to Sewer Utility Operating Fund	2,451,000	
Fees Payable	66,423	
Reserve for Tax Appeals	147,857	
Refund of Prior Year Revenue	500	
	<u>140,734,396</u>	
Balance, December 31, 2021		<u>\$ 49,743,017</u>

**CITY OF PASSAIC  
STATEMENT OF CASH AND INVESTMENTS - GRANT FUND**

Balance, December 31, 2020		\$ 322,880
Increased by:		
Grants Receivable	\$ 13,694,889	
Receipts for Current Fund	489,246	
Receipts for Other Trust Fund	149,396	
Unappropriated Grant Reserves	<u>140,103</u>	
		<u>14,473,634</u>
		14,796,514
Decreased by:		
Payments to Current Fund		
Payments for Current Fund	750	
Payments made for Community Development Trust Fund	94,505	
Appropriated Grant Reserves	<u>7,364,056</u>	
		<u>7,459,311</u>
Balance, December 31, 2021		<u>\$ 7,337,203</u>

**SCHEDULE OF TAX COLLECTOR'S CASH**

Increased by:		
Taxes Receivable	\$ 109,685,928	
Tax Title Liens Receivable	86,699	
Interest and Cost on Taxes	347,160	
Payment in Lieu of Taxes	1,133,636	
Prepaid Taxes	<u>1,138,034</u>	
		\$ 112,391,457
Decreased by:		
Payment to Treasurer		<u>\$ 112,391,457</u>

**CITY OF PASSAIC  
SCHEDULE OF CASH - CHANGE FUND**

Balance, December 31, 2020	\$ <u>2,800</u>
Balance, December 31, 2021	\$ <u>2,800</u>

**STATEMENT OF DUE FROM/TO CURRENT FUND  
GRANT FUND**

Balance, December 31, 2020 (Due from)		\$ 2,602,617
Increased by:		
Grants Receivable Anticipated as 2021 Budget Revenue	\$ 17,001,527	
Unappropriated Grants Anticipated as 2021 Budget Revenue	1,017,326	
Grant Fund Expenditures Paid by Current Fund	5,788,829	
Current Fund Receipts Deposited in Grant Fund	<u>489,246</u>	
		<u>24,296,928</u>
		26,899,545
Decreased By:		
2021 Budget Appropriation for Grants:		
Appropriated Grants	18,018,853	
Payments for Current Fund	750	
Transferred to Grant Fund - Disallowed Grant Costs	705,539	
Grant Fund Receipts Deposited in Current Fund	<u>10,758,511</u>	
		<u>29,483,653</u>
Balance, December 31, 2021 (Due to)		\$ <u>2,584,108</u>

**CITY OF PASSAIC  
STATEMENT OF DUE FROM STATE OF NEW JERSEY  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2020		\$	50,221
Increased by:			
Senior Citizens/Veterans Deductions Per Tax Duplicate			<u>71,750</u>
			121,971
Decreased by:			
Cash Received from State	\$	56,321	
Deductions Disallowed by Tax Collector - 2021		1,750	
Deductions Disallowed by Tax Collector - Prior Years		<u>13,666</u>	
			<u>71,737</u>
Balance, December 31, 2021		\$	<u>50,234</u>

EXHIBIT A-10

**STATEMENT OF DUE TO PARKING AUTHORITY**

Balance, December 31, 2020		\$	5,324
Increased by:			
Cash Receipts			<u>705,135</u>
			710,459
Decreased by:			
Current Fund Revenue-2021 Interlocal Agreement	\$	653,000	
Payments Made for Parking Authority		<u>36,910</u>	
			<u>689,910</u>
Balance, December 31, 2021		\$	<u>20,549</u>

EXHIBIT A-11

**STATEMENT OF DUE FROM REDEVELOPMENT AUTHORITY**

Balance, December 31, 2020		\$	179,886
Increased by:			
Cash Disbursements			
2021 Budget Appropriation	\$	10,000	
Payments Made for Redevelopment Authority		<u>33,633</u>	
			<u>43,633</u>
			223,519
Decreased by:			
2021 Budget Appropriation			<u>10,000</u>
Balance, December 31, 2021		\$	<u>213,519</u>

**CITY OF PASSAIC**  
**STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Fiscal Year Ended	Balance, December 31, 2020	2021 Levy	Tax Collector Adjustments	Senior Citizens and Veterans Deductions Disallowed	Collections 2020	Collections 2021	Senior Citizens and Veterans Deductions Allowed	Transferred from Tax Overpayments	Transferred to Tax Title Liens	Cancelled	Balance, December 31, 2021
2018	\$ 3,654					\$ 43					\$ 3,611
2019	270,769			\$ 3,737		266,904		\$ 3,767			3,835
2020	<u>414,338</u>	-	\$ 43,931	<u>9,929</u>	-	<u>87,165</u>	-	<u>229,754</u>	-	\$ 147,371	<u>3,908</u>
	688,761	-	43,931	13,666	-	354,112	-	233,521	-	147,371	11,354
2021	<u>-</u>	<u>\$ 110,857,004</u>	-	<u>1,750</u>	<u>\$ 1,098,932</u>	<u>109,331,816</u>	<u>\$ 71,750</u>	<u>10,837</u>	<u>\$ 85,714</u>	<u>226,014</u>	<u>33,691</u>
	<u>\$ 688,761</u>	<u>\$ 110,857,004</u>	<u>\$ 43,931</u>	<u>\$ 15,416</u>	<u>\$ 1,098,932</u>	<u>\$ 109,685,928</u>	<u>\$ 71,750</u>	<u>\$ 244,358</u>	<u>\$ 85,714</u>	<u>\$ 373,385</u>	<u>\$ 45,045</u>
				Cash Receipts		<u>\$ 109,685,928</u>					
Tax Yield:											
General Purpose Tax				\$ 110,702,401							
Added Taxes				<u>154,603</u>							
						<u>\$ 110,857,004</u>					
Tax Levy:											
Local District School Tax Levy				\$ 16,818,577							
County Taxes:											
County Tax - General		\$ 26,959,665									
County Tax Open Space		388,822									
County Tax - Added/Omitted		<u>38,188</u>									
				27,386,675							
Local Tax for Municipal Purposes		65,152,235									
Minimum Library Tax		1,370,987									
Add Additional Tax Levied		<u>128,530</u>									
				<u>66,651,752</u>							
						<u>\$ 110,857,004</u>					

**CITY OF PASSAIC  
STATEMENT OF TAX TITLE LIEN RECEIVABLE**

Balance, December 31, 2020		\$ 289,602
Increased by:		
Transfers from Taxes Receivable - 2021	\$ 85,714	
Interest and Costs Accrued by Tax Sale	<u>4,127</u>	
		<u>89,841</u>
		379,443
Decreased by:		
Receipts		<u>86,699</u>
Balance, December 31, 2021		<u>\$ 292,744</u>

EXHIBIT A-14

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES**

Balance, December 31, 2020		<u>\$ 57,699</u>
Balance, December 31, 2021		<u>\$ 57,699</u>

EXHIBIT A-15

**STATEMENT OF SPECIAL ASSESSMENTS RECEIVABLE**

Balance, December 31, 2020		\$ 136,037
Decreased by:		
Receipts		<u>\$ 136,037</u>

**CITY OF PASSAIC**  
**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2020</u>	<u>Accrued</u>	<u>Decreased by:</u>		Balance, December 31, <u>2021</u>
			<u>Treasurer</u>	<u>Tax Collector</u>	
Licenses					
Alcoholic Beverages		\$ 141,332	\$ 141,332		
Other		36,096	36,096		
Fees and Permits					
Construction Code Official		1,388,417	1,388,417		
Other		58,894	58,894		
Fines and Costs					
Municipal Court	\$ 63,675	927,606	922,833		\$ 68,448
Consolidated Municipal Property Tax Relief Aid		2,309,311	2,309,311		
Energy Receipts Tax		10,236,171	10,236,171		
Interest and Costs on Taxes		347,160		\$ 347,160	
Interest on Investments and Deposits		74,635	74,635		
Downtown Merchants Association		103,660	103,660		
Police Record Bureau		12,586	12,586		
Board of Education - Security Watch		3,400,000	3,400,000		
Cable Franchise Fee		345,967	345,967		
Passaic Public Library - Health Benefit Contributions		128,409	128,409		
Housing Authority Police Program		153,653	153,653		
County of Passaic - Street Lighting		60,000	60,000		
Police Outside Duty Vehicle Fee		150,000	150,000		
Payment in Lieu of Taxes:					
St. Mary's Reise Corp.		177,742		177,742	
Chestnut Housing Phase I		104,270		104,270	
Jack Parker Associates		336,700		336,700	
Housing Authority		186,088		186,088	
Garden Howe		44,383		44,383	
YMCA - River Road		30,000		30,000	
Highview Terrace		87,442		87,442	
585 Main Street		45,849		45,849	
663 Main Street		56,610		56,610	
Concord Estate		64,552		64,552	
American Rescue Plan - Federal Funding	-	4,824,000	4,824,000	-	-
	<u>\$ 63,675</u>	<u>\$ 25,831,533</u>	<u>\$ 24,345,964</u>	<u>\$ 1,480,796</u>	<u>\$ 68,448</u>
			Cash Receipts	\$ 23,704,612	\$ 1,481,196
			Due from Grant Fund	489,246	
			Due from Animal Control Fund	6	
			Due from Other Trust	151,435	
			Due from General Capital Fund	665	-
				<u>\$ 24,345,964</u>	<u>\$ 1,481,196</u>

**CITY OF PASSAIC  
STATEMENT OF DEFERRED CHARGES  
SPECIAL EMERGENCY AUTHORIZATIONS**

<u>Date Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance December 31, <u>2020</u>	Balance December 31, <u>2021</u>
12/8/2020	COVID - 19	\$ 804,000	\$ 160,800	<u>\$ 804,000</u>	<u>\$ 804,000</u>

EXHIBIT A-18

**STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2020	\$ 124,049
Increased by:	
Cancelled Prior Year Taxes	<u>244,358</u>
	368,407
Decreased by:	
Overpayments Applied to Current Year Taxes	\$ 244,358
Overpayments Refunded	<u>75,413</u>
	<u>319,771</u>
Balance, December 31, 2021	<u>\$ 48,636</u>

EXHIBIT A-19

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2020	\$ 1,098,932
Increased by:	
Cash Receipts	<u>1,138,034</u>
	2,236,966
Decreased by:	
Applied to 2021 Taxes Receivable	<u>1,098,932</u>
Balance, December 31, 2021	<u>\$ 1,138,034</u>

CITY OF PASSAIC  
STATEMENT OF 2020 APPROPRIATION RESERVES

	Balance, December 31, <u>2020</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT					
DEPARTMENT OF ADMINISTRATION					
Office of Business Administration					
Salaries & Wages	\$ 191,966		\$ 191,966		\$ 191,966
Other Expenses	72,061	\$ 2,585	74,646		74,646
Mayor and Council					
Salaries and Wages	13,261	-	13,261		13,261
Other Expenses	55,039	3,434	58,473		58,473
City Clerk					
Salaries and Wages	30,056	-	30,056		30,056
Other Expenses	110,031	-	110,031	\$ 115	109,916
Human Resources					
Salaries and Wages	38,487	-	38,487	-	38,487
Other Expenses	4,748	-	4,748	3,197	1,551
Financial Administration-Treasurer's Office					
Salaries and Wages	43,124	-	43,124	4,244	38,880
Other Expenses	52,678	-	52,678	45,063	7,615
Annual Audit					
Other Expenses	71,000	-	71,000	56,000	15,000
Revenue Administration					
Salaries and Wages	37,194	-	37,194	23,199	13,995
Other Expenses	129	106	235	-	235
Tax Assessment Administration					
Salaries and Wages	27,704	-	27,704	-	27,704
Other Expenses	8,282	10,594	18,876	-	18,876
Legal Services					
Other Expenses	37,998	433	38,431	-	38,431
Office of Engineer					
Salaries and Wages	19,577	-	19,577	-	19,577
Other Expenses	21,692	-	21,692	5,186	16,506
Planning and Economic Development					
Salaries and Wages	43,814	-	43,814	-	43,814
Other Expenses	18,604	-	18,604	110	18,494
Division of Housing					
Salaries and Wages	25,009	-	25,009	-	25,009
Other Expenses	4,336	26	4,362	-	4,362
Planning Board					
Other Expenses	4,551	-	4,551	4,074	477
Board of Adjustment					
Other Expenses	1,703	-	1,703	16	1,687
Rent Leveling Board					
Other Expenses	15,200	-	15,200	-	15,200
Insurance					
Employee Group Insurance	3,013,615	-	3,013,615	2,084,398	929,217
Health Benefit Waiver	10,000	-	10,000	-	10,000
DEPARTMENT OF PUBLIC WORKS					
Streets and Road Maintenance					
Salaries & Wages	305,868	-	305,868	277,764	28,104
Other Expenses	220,344	-	220,344	217,869	2,475
Solid Waste Collection					
Other Expenses	45,067	42,411	87,478	-	87,478
Garbage Removal Contractual					
			-		-
Building and Grounds					
Salaries & Wages	45,700	-	45,700	4,328	41,372
Other Expenses	139,558	-	139,558	78,891	60,667
Vehicle Maintenance					
Salaries & Wages	125,339	-	125,339	7,462	117,877
Other Expenses	68,882	16,254	85,136	-	85,136

CITY OF PASSAIC  
STATEMENT OF 2020 APPROPRIATION RESERVES

	Balance, December 31, <u>2020</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
DEPARTMENT OF PUBLIC SAFETY					
Police Department					
Salaries and Wages	\$ 2,939,304		\$ 2,939,304	\$ 1,324,457	\$ 1,614,847
Other Expenses	36,484		36,484	24,136	12,348
BOE Security Watch and Res. Officer	64,362		64,362	-	64,362
Fire Department					
Salaries and Wages	1,455,343		1,455,343	1,077,762	377,581
Other Expenses	6,897		6,897	4,147	2,750
Municipal Court					
Salaries and Wages	161,899		161,899	6,790	155,109
Other Expenses	50,126		50,126	812	49,314
Office of Emergency Management					
Salaries and Wages	8,366		8,366	-	8,366
Other Expenses	1,592		1,592	520	1,072
Prosecutor 's Office					
Other Expenses	71,800	\$ 8,150	79,950	-	79,950
Public Defender					
Other Expenses	13,650	38,150	51,800	-	51,800
Passaic Parking Authority					
Salaries and Wages	76,191	-	76,191	-	76,191
Other Expenses	247,801	-	247,801	17,661	230,140
DEPARTMENT OF HUMAN RESOURCES					
Division of Health					
Salaries & Wages	98,452	-	98,452	864	97,588
Other Expenses	83,849	-	83,849	28,929	54,920
Animal Regulation					
Salaries & Wages	54,434	-	54,434	-	54,434
Other Expenses	24,712		24,712	416	24,296
DEPARTMENT OF PARKS AND RECREATION					
Division of Recreation					
Salaries & Wages	288,866	-	288,866	-	288,866
Other Expenses	82,275	29,447	111,722	-	111,722
Senior Citizens					
Salaries & Wages	38,960	-	38,960	-	38,960
Other Expenses	4,901	13	4,914	-	4,914
Handicapped Recreation					
Salaries & Wages	90,399	-	90,399	-	90,399
Other Expenses	17,601	-	17,601	-	17,601
Maintenance of Parks					
Salaries & Wages	78,007	-	78,007	-	78,007
Other Expenses	22,588	3,336	25,924	-	25,924
UNIFORM CONSTRUCTION CODE- APPROPRIATIONS OFFSET BY DEDICATED REVENUES					
Division of Code Enforcement					
Salaries & Wages	138,583	-	138,583	-	138,583
Other Expenses	160,219	-	160,219	447	159,772

CITY OF PASSAIC  
STATEMENT OF 2020 APPROPRIATION RESERVES

	Balance, December 31, <u>2020</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
UNCLASSIFIED					
Utilities:					
Electricity	\$ 196,296		\$ 196,296	\$ 32,882	\$ 163,414
Telephone and Telegraph	30,139	\$ 918	31,057	-	31,057
Street Lighting	144,206	-	144,206	65,946	78,260
Gasoline	214,782	27,290	242,072	-	242,072
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Tipping Fees	28,801	-	28,801	12,076	16,725
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures					
Social Security System (O.A.S.I.)	195,853	-	195,853	-	195,853
PERS	30	-	30	-	30
Consolidated Police and Firemen's Pension Fund	1	-	1	-	1
Deferred Compensation Retirement Plan	21,261	-	21,261	-	21,261
GENERAL APPROPRIATIONS - ALL OTHER OPERATIONS EXCLUDED FROM "CAPS"					
Declared State of Emergency Costs for Coronavirus Response - NJSA 40A:45-45 (b) and 40A:4-45	<u>94,841</u>	<u>-</u>	<u>94,841</u>	<u>90,107</u>	<u>4,734</u>
Public and Private Programs Offset by Revenues					
Matching Funds for Grants	<u>60,000</u>	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Paving of Various Roads and Sewer Impvts	632,707	-	632,707	632,707	-
Purchase of Fire Communication Radios	150	-	150	-	150
Purchase of Fire Hose	<u>6,615</u>	<u>-</u>	<u>6,615</u>	<u>-</u>	<u>6,615</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Loan Principal and Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 12,865,960</u>	<u>\$ 183,147</u>	<u>\$ 13,049,107</u>	<u>\$ 6,132,575</u>	<u>\$ 6,916,532</u>
Cash Disbursements				\$ 1,541,219	
Transferred to Accounts Payable				463,185	
Transferred to General Capital Fund				128,171	
Transferred to Miscellaneous Reserves - Other Trust Fund				<u>4,000,000</u>	
				<u>\$ 6,132,575</u>	

**CITY OF PASSAIC  
STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

Increased by:		
Levy		<u>\$ 16,818,577</u>
Decreased by:		
Cash Disbursements		<u>\$ 16,818,577</u>

EXHIBIT A-22

**STATEMENT OF COUNTY TAXES PAYABLE**

Increased by:			
Levy			
General County		\$ 26,959,665	
County Open Space Preservation		388,822	
County Added/Omitted Taxes		<u>38,188</u>	
			<u>\$ 27,386,675</u>
			27,386,675
Decreased by:			
Cash Disbursed			<u>\$ 27,386,675</u>

EXHIBIT A-23

**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2020		\$ 2,953,804
Increased by:		
Transferred from Budget Appropriations		<u>2,799,559</u>
		5,753,363
Decreased by:		
Payments	\$ 2,770,657	
Cancelled Encumbrances Restored to Appropriation Reserves	<u>183,147</u>	
		<u>2,953,804</u>
Balance, December 31, 2021		<u>\$ 2,799,559</u>

**CITY OF PASSAIC  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2020		\$ 954,540
Increased by:		
Transfer from 2020 Appropriation Reserves		<u>463,185</u>
		1,417,725
Decreased by:		
Cash Disbursements	\$ 84,646	
Cancelled	<u>729,899</u>	
		<u>814,545</u>
Balance, December 31, 2021		<u>\$ 603,180</u>

EXHIBIT A-25

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, December 31, 2020		\$ 3,490,874
Increased by:		
Transferred from 2021 Tax Collections		<u>1,000,000</u>
		4,490,874
Decreased by:		
Cash Payments	\$ 147,857	
Cancelled Taxes Applied to Overpayments	<u>244,358</u>	
		<u>392,215</u>
Balance, December 31, 2021		<u>\$ 4,098,659</u>

**CITY OF PASSAIC**  
**STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2020</u>	<u>Increased by</u>	<u>Decreased by</u>	Balance, December 31, <u>2021</u>
Allowance for Grant Reimbursement	\$ 205,539	\$ 500,000	\$ 705,539	-
Tax Map	149,551		4,010	\$ 145,541
Sale of Municipal Assets	75,000			75,000
PILOT - Housing Authority	<u>183,751</u>	<u>-</u>	<u>-</u>	<u>183,751</u>
	<u>\$ 613,841</u>	<u>\$ 500,000</u>	<u>\$ 709,549</u>	<u>\$ 404,292</u>
			\$ 705,539	
			<u>4,010</u>	
			<u>\$ 709,549</u>	

**STATEMENT OF FEES PAYABLE**

	Balance, December 31, <u>2020</u>	<u>Receipts</u>	<u>Payments</u>	Balance, December 31, <u>2021</u>
Construction Code Training Fees	\$ 20,878	\$ 75,118	\$ 66,388	\$ 29,608
Burial Fees	170	40	35	175
Bail Bond Forfeiture Fees	213,723			213,723
Ambulance Billing Fees	<u>11,151</u>	<u>-</u>	<u>-</u>	<u>11,151</u>
	<u>\$ 245,922</u>	<u>\$ 75,158</u>	<u>\$ 66,423</u>	<u>\$ 254,657</u>

**CITY OF PASSAIC**  
**STATEMENT OF RESERVE FOR PENSION CONTRIBUTIONS**

Balance, December 31, 2020	\$ 908,338
Decreased by:	
Anticipated Revenue - 2021 Budget	300,000
Balance, December 31, 2021	\$ 608,338

**STATEMENT OF RESERVE FOR REVALUATION PROGRAM**

Balance, December 31, 2020	\$ 163,082
Balance, December 31, 2021	\$ 163,082

**STATEMENT OF DEFERRED STATE AID**

Balance, December 31, 2020	\$ 5,999,778
Decreased by:	
Anticipated Revenue - 2021 Budget	1,275,000
Balance, December 31, 2021	\$ 4,724,778

CITY OF PASSAIC  
STATEMENT OF GRANTS RECEIVABLE  
GRANT FUND

	Balance, December 31, <u>2020</u>	Revenue <u>Accrued</u>	Cash <u>Received</u>	Balance, December 31, <u>2021</u>
Market Streetscape Enhancement	\$ 750,000			\$ 750,000
Drive Sober or Get Pulled Over - 2015	50			50
Dig In Community Garden - 2016	2,500			2,500
Downtown Merchant Summer Employment - 2016	11,250			11,250
Juvenile Accountability - Station House Adjustment	1,478			1,478
Green Acres - McDonald Brook Project	1,100,000			1,100,000
DOT Various Street Projects - 2016	26,988			26,988
Municipal Alliance - 2016	12,765			12,765
Municipal Alliance - 2015	26,650			26,650
OEM - Hazard Mitigation - Generators - 2016	250,000			250,000
Byrne Memorial - TY 2016	225,070			225,070
Ryan White - TY 2016	20,846			20,846
Drive Sober or Get Pulled Over - TY 2016	200			200
NJ Highway Pedestrian Safety - TY 2016	581			581
Summer Food Program - TY 2016	226,395			226,395
Municipal Alliance - TY 2016	225			225
Drive Sober or Get Pulled Over - 2017	5,610			5,610
Green Acres - 3rd Ward & Veterans Memorial Park	1,000,000			1,000,000
Municipal Alliance - 2017/2018	313			313
County Open Space - Christopher Col. & Dog Park	11,265			11,265
Summer Food Program - 2017	85,228			85,228
DOT - Various Road Improvements 2017	195,824			195,824
NJDOT - Various 2018 Road Improvements	805,600			805,600
Distracted Driving Crackdown - 2018	165			165
NJDOT - Various Roadway Safety Improvements	600,000		\$ 130,324	469,676
NJDEP Stewardship Award - Tree Management	7,000			7,000
Pedestrian Safety Grant - 2018	2,105			2,105
Recreation Opport. For Individuals w/ Disab. - 2018	20,000			20,000
Municipal Alliance - 2018	992			992
Ryan White - 2018	96,951		16,304	80,647
Summer Food - 2018	286,588			286,588
Passaic Co. Open Space - Madison & Hope Plaza	10,000			10,000
Target Grant - Youth Soccer 2019	1,000			1,000
County Historic Partnership Program	1,591			1,591
WIC - 2019	146,707			146,707
Byrne Memorial - 2017	203,547			203,547
Byrne Memorial - 2018	191,956			191,956
Pedestrian Safety Grant - 2019	20,710			20,710
FEMA - Fire SAFER Program - 2018	622,786		170,879	451,907
Drive Sober or Get Pulled Over - 2018	220			220
FEMA - Fire SAFER Program - 2018	10,000			10,000
WIC Grant - 2019 (NJ Dept. of Health & Senior Services)	17,000			17,000
GS Autolex (Honda) Donation	300			300
Green Acres Program	1,000,000			1,000,000
NJDOT-Municipal Aid Program- 2020	883,174		442,904	440,270
NJDEP-It Pays to Plug In	6,000			6,000
PC-Cultural Heritage Local Art Program	625		625	-
PC- Station House Adjustment Grant	11,359			11,359
WIC Grant-2020	1,109,988		984,604	125,384
NJDCA-Neighborhood Preservation	100,000		100,000	-
Municipal Alliance - 2019	17,182		3,386	13,796
Safe and Secure - 2019	24,375		24,375	-
HOPWA 2019	150,000		62,560	87,440
PC-City Green Grant	500			500
NJDEP - Stewardship - Forestry Program	23,000			23,000
PC - Improvements to Pulaski Park	99,000			99,000
Ryan White - 2019	21,995			21,995
Summer Food Program - 2019	167,570			167,570
Hudson River Science Foundation	10,000		10,000	-
Stationhouse Adjustment Grant- 2019	507		507	-
Ryan White Part A - HIV/AIDS Grant	162,017			162,017
NJDOT - Municipal Aid & Urban AID	454,446			454,446
NJDCA - Recreation Opportunity - 2019	13,311			13,311
Distracted Driving Statewide Crackdown	440			440
Summer Food Program - 2020 (2 of 2)	132,188			132,188
Patrick Leahy Bulletproof Vest 2019	26,987		3,733	23,254
County CARES Act Grant	4,071,735		4,071,735	-

CITY OF PASSAIC  
STATEMENT OF GRANTS RECEIVABLE  
GRANT FUND

	Balance, December 31, 2020	Revenue Accrued	Cash Received	Balance, December 31, 2021
Census Participation Grant 2020	\$ 29			\$ 29
Dig In! City Green Amory Park	438			438
Dig in! City Green Dignity House	460			460
Dig in City Green Senior Center	500			500
Drive Sober Year End Crackdown 2019	110			110
Drive Sober Year End Crackdown 2020	9,000		\$ 8,880	120
HOPWA 2020	43,115		43,115	-
Municipal Alliance 20/21	12,985		12,981	4
Pedestrian Safety Grant 2020	3,105			3,105
Roots for Rivers	3,775		3,542	233
Ryan White Initiative	47,508		47,508	-
Child Lead Prevention	558,184		543,547	14,637
Stationhouse Adjustment Grant- 2021	17,940		15,970	1,970
WIC 2020	376,603		158,144	218,459
Pedestrian Safety Grant 2021	30,000		14,940	15,060
Municipal Alliance 5th Q	3,158			3,158
Bryne Memorial JAG - 2019	180,339			180,339
USDOJ - Coronavirus Emerg Supplemental 2020	128,904			128,904
COPS Hiring Grant	1,000,000			1,000,000
County Cares Act (2 of 2)	986,209		986,209	-
Safe and Secure - 2020	65,625		65,625	-
Childhood Lead - Additional	109,087		109,087	-
HOPWA Covid 19 20-21	56,829		41,539	15,290
Stationhouse Adjustment - Additional	1,076		1,076	-
Mental Health Stigma Free - County Grant	500			500
2020 Patrick Leahy Bulletproof Vest	3,600			3,600
NJ DOT 2021 - Various Streets	754,435			754,435
Stationhouse Adj - Passaic 2021	-	\$ 3,979	3,979	-
Alcohol Education and Rehab 2021		9,315	9,315	-
American Rescue Plan - Federal Funding		15,565,804	15,565,804	-
Body Armor Grant 2020		10,567	10,567	-
Childhood Lead 2022		562,500	-	562,500
Click It or Ticket 2021 Seat Belt Mblztn		9,000	9,000	-
Distracted Drvng Crckdwn 2021 -Utext Udrv		10,500	10,440	60
Drunk Driving Enforcement Fund FY2020		16,706	16,706	-
Drive Sober Labor Day 2021		9,000	7,920	1,080
HOPWA 2021		150,000	-	150,000
It Pays to Plug In Grant		12,000	-	12,000
Municipal Alliance 2021-2022		17,312	-	17,312
Municipal Lead Abatement Grant 2020		166,877	83,928	82,949
NPP Year 2 (2021-2022)		125,000	112,500	12,500
County Open Space - 100 Steps & Plygmd		200,000	-	200,000
Recycling Tonnage Grant 2018		153,337	153,337	-
Ryan White Initiative & MAI 2021		137,441	82,919	54,522
Summer Food Program 2021		217,563	139,357	78,206
Stationhouse Adj - Regional Grant 2021		45,000	-	45,000
Strengthening Health Capacity Grant FY 2022		291,042	25,456	265,586
Strengthening Health Capacity Grant FY 2021		142,236	80,934	61,302
WIC 2021-2022 Grant		1,116,055	64,074	1,051,981
NJ DOT Youth Corp Program		32,000	9,565	22,435
Youth Service America - Afterschool Grnt		500	500	-
NJ OAG - FY21 Body Worn Camera Grant		244,560		244,560
NJ DOT FY2022		782,700		782,700
HOPWA COVID-19 20-21 Additional		10,224		10,224
NJDOT - Safe Streets to Transit FY 2021		200,000		200,000
WIC Infrastructure Grant FY 2022		32,800		32,800
DOT TAPS - Mrkt St - PE & FD Phase		141,024		141,024
Safe and Secure 2021		48,600		48,600
Byrne Memorial JAG 2020		169,234		169,234
COVID 19 Vaccination Supplemental Funding 2022		50,000		50,000
NJDOT TAPS - Railroad ROW		1,000,000		1,000,000
Assistance to Firefighters Grant		142,651		142,651
	<u>\$ 19,878,369</u>	<u>\$ 21,825,527</u>	<u>\$ 24,460,400</u>	<u>\$ 17,243,496</u>
Due to/from Current		\$ 17,001,527	\$ 10,758,511	
Anticipated Current Fund Revenue - ARP		4,824,000		
Transfer from Unappropriated Grant Reserves			7,000	
Cash Receipts			13,694,889	
		<u>\$ 21,825,527</u>	<u>\$ 24,460,400</u>	

**CITY OF PASSAIC  
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS  
GRANT FUND**

	Balance December 31, 2020		Increased by: Budget Appropriation	Expended	Balance December 31, 2021	
	Encumbered	Reserved			Encumbered	Reserved
Ryan White Title I - 2008	\$ 100	-			\$ 100	
NJDOT - Transportation Trust - Howel/Lincoln/St. Francis		\$ 61,555				\$ 61,555
Recycling Tonnage Grant - 2011		28,659				28,659
Body Armor Grant - 2012		282	\$	282		-
Body Armor - 2013		2,546		2,546		-
Byrne Memorial - 2013		7,954				7,954
Highlands Council Transfer Development Rights	17,193	15,000			17,193	15,000
Stationhouse Adj. - 2015		36				36
Ryan White - 2015		83,667				83,667
Mayor's Wellness - 2015		140				140
DOT Market Streetscape Enhancement - 2014	78,576	671,424		14,124		735,876
Multi Culture - 2015		700				700
HOPWA - 2014		23,543				23,543
Hep Inoculation - 2015		428				428
Distracted Driving Crackdown - 2015		50				50
Drive Sober - 2015		3,800				3,800
Clean Communities - 2015	149				149	-
Safe & Secure Communities		48,750				48,750
Byrne Memorial - 2015		4				4
UEZA - Commodities - 2015		2,926		145		2,781
UEZA - Dundee Canal Redevelopment		3,012				3,012
DOT Various Street Improvements - 2016	3,527	90,676			3,527	90,676
Municipal Alliance - 2016		1,979				1,979
Drunk Driving Enforcement Fund - 2016		4,000				4,000
Body Armor - 2016		106		106		-
Childhood Lead Paint - 2016		5,579				5,579
Dig In Community Garden - 2016		2,500				2,500
Downtown Merchant Summer Employment - 2016		12,554				12,554
Drive Sober - 2015		5,000				5,000

CITY OF PASSAIC  
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS  
GRANT FUND

	Balance December 31, 2020		Increased by: Budget Appropriation	Expended	Balance December 31, 2021	
	Encumbered	Reserved			Encumbered	Reserved
Green Acres - McDonald Brook - 2016		\$ 1,034			\$	1,034
High Drug Traffic Youth Empowerment - 2016		2,160				2,160
HOPWA - 2015		9,247				9,247
Municipal Alliance - 2015		9,964				9,964
OEM - Hazard Mitigation - Generators - 2016		113				113
Recreation Opportunity - 2016		9,860				9,860
WIC - 2015		4,713				4,713
WIC - 2016		19,326				19,326
Alcohol Ed. - TY 2016		26,650				26,650
Body Armor - TY 2016		16	\$	16		-
Byrne Memorial - TY 2016	\$	153,666			\$	153,666
Childhood Lead Paint - TY 2016		344				344
Drive Sober - TY 2016		425				425
Fire SAFER - TY 2016		147,840				147,840
HOPWA - TY 2016		1,194				1,194
Municipal Alliance - TY 2016		119				119
Ryan White - TY 2016		23,518				23,518
Summer Food - TY 2016		157,226				157,226
WIC - 2017		8,573				8,573
Pedestrian Safety Grant - TY 2016		5,850				5,850
Alcohol Education - 2017		9,191				9,191
Click It or Ticket - 2017		55				55
Childhood Lead Paint - 2017/2018		1,647				1,647
Disaster Recovery McDonald Brook - 2017	56,852			56,852		-
DOT Various Road Improvements - 2017	15,244	95,964		33,176		78,032
Green Acres - 3rd Ward & Veterans Memorial Park - 2017	15,180	70,462		15,180		70,462
Hep Inoculation - 2017	668	1,361		667		1,362
HOPWA - 2017/2018		12,254				12,254
Municipal Alliance - 2017/2018		313				313
Recycling Tonnage - 2015		31				31
Recycling Tonnage - 2016	29,724	38,041		53,043	5,160	9,562

CITY OF PASSAIC  
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS  
GRANT FUND

	Balance December 31, 2020		Increased by: Budget Appropriation	Expended	Balance December 31, 2021	
	Encumbered	Reserved			Encumbered	Reserved
Ryan White - 2017		\$ 66,380			\$	66,380
Stationhouse Adj. - 2017		870				870
Summer Food - 2017		123,383				123,383
Smile Donation - School Walkability		5,000				5,000
UEZA - 2017		78,038				78,038
UEZA - Taste of Market Street		915				915
Byrne Memorial - 2017	\$ 141,909	181			\$ 141,909	181
Drive Sober or Get Pulled Over- 2017		5,610				5,610
Walk Safe Pedestrian Safety Grant - 2017		2,925				2,925
Municipal Alliance - 2018	108	994			108	994
Municipal Alliance Alcohol Education - 2018		2,689				2,689
Body Armor		4,567				4,567
Bill Belichick Foundation		4,718				4,718
Byrne Memorial - 2018	137,432	45,274	\$ 3,678		173,879	5,149
Clean Communities - 2018	7,256	25,990		33,246		-
Child Lead Prevention Grant - 2018	1,262	235,500			1,262	235,500
County Historic Partnership Program		1,591				1,591
Drive Sober or Get Pulled Over- 2018		1,375				1,375
Distracted Driving Crackdown Statewide - 2018		2,915				2,915
DOT - 2018 Various Roads Improvements		328,991				328,991
DOT - 2018 Roadway Safety	414,348	161,189		409,036	11,806	154,695
FM Global Fire Prevention - 2018 - Local		12				12
FEMA Fire Safer - 2018		461,685		274,193		187,492
Hep Inoculation - 2018		3,235				3,235
HOPWA - 2018		40,581				40,581
NJDEP Stewardship - Tree Management		4,900		4,900		-
Open Space 2018 - Madison and Hope Plaza		261				261
National Recreation & Park Association - 2018 - Local	106	14,508		621	41	13,952
Recreation Opportunity Grant - 2018		10,044				10,044
Recycling Tonnage - 2018		72,544			32,109	40,435
Ryan White - 2018		71,831				71,831
Stationhouse Adj. - 2018		237				237
Summer Food - 2018		71,076				71,076
Taste of Market Street Small Grants Program - 2018 - Local	350	2,759		1,240		1,869
Safe & Secure - 2017		90,000				90,000
Safe & Secure - 2018		90,000				90,000

CITY OF PASSAIC  
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS  
GRANT FUND

	Balance December 31, 2020		Increased by: Budget Appropriation	Expended	Balance December 31, 2021	
	Encumbered	Reserved			Encumbered	Reserved
Target Grant - Youth Soccer		\$ 1,000			\$	1,000
National Diversity - US Lacrosse - 2018		2,000				2,000
Walk Safe Pedestrian Safety Grant - 2018		21,535				21,535
WIC - 2018		18,806				18,806
WIC - 2019		73,550				73,550
NJDOT - Various Road Improvements - 2019	\$ 87,541	240,364		\$ 63,153	\$ 181	264,571
NJDOT - Municipal AID Program - 2020	3,812	831,522		320,066	280,290	234,978
Municipal Alliance - 2019		5,980				5,980
Alcohol Education - 2019		6,269				6,269
Childhood Lead Prevention - 2019	7,166			6,322		844
Distracted Driving Crackdown - 2019		330				330
Green Acres Program - 2019	221,123	501,406		165,633	17,768	539,128
GS Autolex (Honda) Donation		300				300
HOPWA - 2019		1,707				1,707
PC- Cultural Heritage Local Art Program		220				220
NJDEP - Stewardship - Forestry Program	21,730	1,270		16,830		6,170
NJDCA - Neighborhood Preservation - 2019	34,519	56,161		90,680		-
PC- Improvements to Pulaski Park - 2019		99,000		99,000		-
PC - Green Grant		93				93
Hudson River Foundation		2,735				2,735
Women's Sports Foundation		3,784				3,784
NJDCA - Recreation Opportunity - 2019		13,311				13,311
Recycling Tonnage - 2018		109,211				109,211
Ryan White - Part A HIV/AIDS Grant - 2019		81,639		1,276		80,363
Ryan White - 2019		21,995				21,995
Summer Food - 2019		272,614				272,614
Stationhouse Adjustment - 2019		84				84
Stationhouse Adjustment - 2019 Addition		3,094				3,094
Safe and Secure - 2019		10,399				10,399
WIC Grant - 2020		23,226				23,226
NJACCHO CV-19 Health Grant - (Local)	18,996	37,860		18,032		38,824
Bryne Memorial 2019 Grant		180,339			24,837	155,502
Patrick Leahy Bulletproof Vest -2019		31,546				31,546
Patrick Leahy Bulletproof Vest -2020		3,600				3,600
County CARES Act - Covid 19	1,677,013	1,268,543		2,945,556		-
USDOJ - Covid Emergency Supplemental	116,300	12,604		124,940	1,150	2,814
Census Participation Grant - 2020 County		29				29
Dig In City Green - Amory Park		500				500
Dig In City Green - Christopher Columbus Park		250				250

CITY OF PASSAIC  
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS  
GRANT FUND

	Balance December 31, 2020		Increased by: Budget Appropriation	Expended	Balance December 31, 2021	
	Encumbered	Reserved			Encumbered	Reserved
Dig In City Green - Dignity House	\$	500			\$	500
Dig In City Green - Senior Center		500				500
DOT FY 2021 Various Streets		754,435		\$ 43,000	\$ 671,222	40,213
CDBG 2020 Additional - Amendment 8	\$	33,080		33,080		-
Drive Sober Year End Crack Down - 2019		110				110
HOPWA Covid 19 - 2020	11,477	41,238		33,965	592	18,158
HOPWA 2020	10,972	121,932		79,589	10,938	42,377
Municipal Alliance - 2020/2021		9,897		9,894		3
Neighborhood Preservation Program - Covid Relief		9,657		9,657		-
Pedestrian Safety Grant - 2020		10,557				10,557
Pedestrian Safety Grant - 2021		27,840		13,390		14,450
Roots for Rivers		7,550		7,321		229
Ryan White 2020	6,203	131,702		131,450	562	5,893
2020 Summer Food Program	91,449	21,567		80		112,936
Safe and Secure Communities -2020		90,000		90,000		-
WIC 2020/2021 Grant	7,561	914,524		821,725		100,360
COPS Hiring Grant		1,000,000				1,000,000
Municipal Alliance 5th Q		3,158				3,158
Body Armor Grant		14,601		14,501		100
Stationhouse Adjustment Grant Additional		8,209		453	1,677	6,079
Mental Health County Grant		500				500
Stationhouse Adjustment Grant - 2021	2,457	31,819	\$ 3,979	36,978		1,277
Childhood Lead Prevention - 2021		562,500		359,423	16,280	186,797
Drive Sober Year End Crack Down	-	9,000		8,160	-	840
Alcohol Education and Rehab 2021			9,315			9,315
American Rescue Plan Federal Fndg			15,565,804	5,292,242	359,444	9,914,118
Body Armor Grant 2020			10,567			10,567
Clean Communities 2020			74,472			74,472
Clean Communities 2019			82,586	19,969		62,617
Childhood Lead 2022			562,500	184,313	230	377,957
Click It or Ticket 2021 Seat Belt Mblztn			9,000	8,040		960
Distracted Drvng Crckfwn 2021-Utext Udrv			10,500	10,020		480
Drunk Driving Enforcement Fund FY2020			16,706	14,413	240	2,053
Drive Sober Labor Day 2021			9,000	7,440		1,560
HOPWA 2021			150,000	12,192		137,808
It Pays to Plug In Grant			12,000	12,000		-
Municipal Alliance 2021-2022			17,312	6,501		10,811
Municipal Lead Abatement Grant 2020			166,877	-		166,877
NPP Year 2 (2021-2022)			125,000	29,288	625	95,087



**CITY OF PASSAIC**  
**STATEMENT OF RESERVE FOR UNAPPROPRIATED GRANTS - GRANT FUND**

	Balance December 31, <u>2020</u>	Cash <u>Receipts</u>	Realized as Current Fund <u>Revenue</u>	Transfer to Grants <u>Receivable</u>	Balance December 31, <u>2021</u>
Sr. Trans - 2014	\$ 120,804				\$ 120,804
Sr. Trans - 2017	60,402				60,402
Sr. Trans - 2018	60,402				60,402
Multicultural - 2015	700				700
Ryan White-2019	118,803				118,803
Recycling Tonnage-2019	160,268		\$ 160,268		-
Clean Communities-2019	82,586		82,586		-
Multicultural-2019	1,193	\$ 398			1,591
Dundee Island Park Environment Program-2019	7,000			\$ 7,000	-
2020 Alcohol Ed. Grant	6,835				6,835
Clean Communities - 2020	74,472		74,472		-
Neighborhood Preservation Program	700,000		700,000		-
Sr. Trans P.O. #19-00670	60,402	-		-	60,402
Clean Communities Grant 2021		79,303			79,303
Senior Transportation 2020 - County PO20-05286		60,402			60,402
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,453,867</u>	<u>\$ 140,103</u>	<u>\$ 1,017,326</u>	<u>\$ 7,000</u>	<u>\$ 569,644</u>

EXHIBIT A-34

**STATEMENT OF RESERVE FOR GRANT REIMBURSEMENT - GRANT FUND**

Increased by:	
Due from Current Fund	<u>\$ 705,539</u>
Balance, December 31, 2021	<u>\$ 705,539</u>

EXHIBIT A-35

**STATEMENT OF RESERVE FOR PROGRAM INCOME - GRANT FUND**

Balance, December 31, 2020	<u>\$ 388,806</u>
Balance, December 31, 2021	<u>\$ 388,806</u>

**TRUST FUND**

**CITY OF PASSAIC  
STATEMENT OF TRUST CASH AND INVESTMENTS**

	Animal Control Fund	Other Trust Fund	Community Development Block Grant Fund	Home Investment Program Fund
Balance, December 31, 2020	\$ 42,850	\$ 15,966,889	\$ 55,906	\$ 87,956
Increased by:				
Animal Licenses	5,959			
Late Fees/Adoption Fees	2,223			
Due State of New Jersey	1,259			
Interest Earned	6			
Miscellaneous Reserves and Deposits		10,962,733		
Receipts for Current Fund		160,065		
Program Income			140	88,429
HUD - CDBG Program Allotments			1,720,189	
HUD - HOME Program Allotments	-	-	-	191,520
	<u>9,447</u>	<u>11,122,798</u>	<u>1,720,329</u>	<u>279,949</u>
	<u>52,297</u>	<u>27,089,687</u>	<u>1,776,235</u>	<u>367,905</u>
Decreased by:				
Due State of New Jersey	456			
Animal Control Expenditures	12,352			
Miscellaneous Reserves and Deposits		10,412,192		
Encumbrances Payable	2,154			
HUD-CDBG Program Expenditures			1,451,201	
Payments to Current Fund		4,010		233
Payments made for Grant Fund		166,459		
HUD - Home Investment Program Expenditures	-	-	-	102,653
	<u>14,962</u>	<u>10,582,661</u>	<u>1,451,201</u>	<u>102,886</u>
Balance, December 31, 2021	<u>\$ 37,335</u>	<u>\$ 16,507,026</u>	<u>\$ 325,034</u>	<u>\$ 265,019</u>

**CITY OF PASSAIC  
STATEMENT OF DUE TO STATE OF NEW JERSEY  
ANIMAL CONTROL FUND**

Balance, December 31, 2020		\$ 492
Increased by:		
Cash Receipts		<u>1,259</u>
		1,751
Decreased by:		
Cash Disbursed		<u>456</u>
Balance, December 31, 2021		<u>\$ 1,295</u>

**STATEMENT OF RESERVE FOR EXPENDITURES  
ANIMAL CONTROL FUND**

Balance, December 31, 2020		\$ 29,743
Increased by:		
Cash Receipts		
Dog Licenses	\$ 5,628	
Cat Licenses	331	
Late Fees/Adoption Fees	<u>2,223</u>	
		\$ 8,182
Received by Current Fund		<u>2,244</u>
		<u>10,426</u>
		40,169
Decreased by:		
Cash Disbursements	12,352	
Encumbrances Payable	<u>5,189</u>	
		<u>17,541</u>
Balance, December 31, 2021		<u>\$ 22,628</u>

**CITY OF PASSAIC  
STATEMENT OF DUE TO CURRENT FUND  
ANIMAL CONTROL FUND**

Balance, December 31, 2020	\$ 10,461
Increased by:	
Interest Earned	6
	10,467
Decreased by:	
Cash received by Current Fund	2,244
Balance, December 31, 2021	\$ 8,223

**STATEMENT OF ENCUMBRANCES PAYABLE  
ANIMAL CONTROL FUND**

Balance, December 31, 2020	\$ 2,154
Increased by:	
Charges to Reserve for Expenditures	5,189
	7,343
Decreased by:	
Cash Disbursements	2,154
Balance, December 31, 2021	\$ 5,189

**CITY OF PASSAIC  
STATEMENT OF CASH - CHANGE FUND  
OTHER TRUST FUND**

Balance, December 31, 2020	\$ <u>200</u>
Balance, December 31, 2021	\$ <u>200</u>

**STATEMENT OF DUE FROM CURRENT FUND  
OTHER TRUST FUND**

Balance, December 31, 2020	\$ 2,379,337
Increased by:	
Other Trust Reserves and Deposits:	
2021 Appropriations	\$ 3,898,000
2020 Appropriation Reserves	4,000,000
Deposits Received in Current Fund	<u>22,876</u>
	\$ 7,920,876
Payments for Current Fund	<u>4,010</u>
	<u>7,924,886</u>
	10,304,223
Decreased by:	
Other Trust Reserves and Deposits:	
Receipts for Current Fund - MRNA	158,630
Receipts for Current Fund - MRA	<u>1,435</u>
	160,065
Payments made by Current Fund	4,135,512
2021 Anticipated Current Fund Revenue - POD Vehicle Fee	<u>150,000</u>
	<u>4,445,577</u>
Balance, December 31, 2021	\$ <u>5,858,646</u>

**STATEMENT OF DUE FROM GRANT FUND  
OTHER TRUST FUND**

Balance, December 31, 2020	\$ 684,802
Increased by:	
Other Trust Fund Receipts Deposited in the Grant Fund	\$ 149,396
Payments made for Grant Fund	<u>166,459</u>
	<u>315,855</u>
Balance, December 31, 2021	\$ <u>1,000,657</u>

**CITY OF PASSAIC  
STATEMENT OF MISCELLANEOUS RESERVES AND DEPOSITS  
OTHER TRUST FUND**

	Balance, December 31, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
Police Funds	\$ 36,256		\$ 30,687	\$ 5,569
Police Donation SWAT	900			900
EMS Facility	751			751
Fire Line Safety Reg.	187,167	\$ 429,086	343,873	272,380
Fire Permits and Fines	8,562	2,500	765	10,297
Fire Dedicated Funds	174	2,500	2,674	-
Developers Performance Bond	20,000			20,000
Unemployment Compensation Insurance	1,882,515	208,733	34,675	2,056,573
Self Insurance Workman's Compensation Claims	380,769	1,506,595	1,526,335	361,029
Parking Offences Adjudication Act Fees	69,623	9,448		79,071
Self-Insurance General Liability Claims	3,532,695	1,918,004	1,569,826	3,880,873
Storm Recovery	251,471	859,628	137,654	973,445
Donations - Mayor	3,740			3,740
Donations - Animal Control	9,080			9,080
Donations - Dignity House	300			300
Donations - Relocation Assistance	2,388			2,388
Donations - Multicultural Affairs	2,030	23,086	18,375	6,741
Donations - Toys for Kids	525			525
Donations - Turkey Giveaways	100			100
Donations - Target	1			1
Donations - Senior Citizen	6,136	467	5,000	1,603
Substance Abuse - Treatment	5,448	17,748	7,464	15,732
Substance Abuse - NJ Medical Assistance Program	107,628	457,149	470,014	94,763
NJ ACH Death Certificate	160,131	17,450		177,581
Recreation - Donations	21,320	1,349	4,812	17,857
Recreation Official Fee	7,955			7,955
Recreation Team Ceremony Fees	71			71
Affordable Housing - Reserve	30,662			30,662
Accumulated Sick and Vacation	3,500,743	2,050,000	912,894	4,637,849
Flexible Spending Deposits	6,696	16,657	10,247	13,106
Health Benefit Insurance	2,786,051	2,000,000		4,786,051
Payroll Deductions/Pension/ Salary Deposits	276,525	62,654	45,818	293,361
Regional Contribution Agreement	64,748			64,748
Marriage License Fees	18,372	11,750	11,600	18,522
Festival Performance Bonds	66,782	2,000	4,279	64,503
Primary General Election Deposits	48,767	28,855	38,658	38,964
Tax Sale Premium Deposits	3,761,250	3,176,800	3,300,199	3,637,851
Tax Redemption Deposits	179,403	3,690,481	3,861,137	8,747
Soccer Game Escrow (BOE)	1,340			1,340
Park Improvements - Recreation Donation	10,000	593,226	593,226	10,000
Demolition & Performance Bond Deposits	107,898	6,144	1,000	113,042
Developers Housing Escrow Deposits	405,300	106,200	60,700	450,800
Zoning Developers Escrow	265,821	40,586	26,240	280,167
Planning Developers Escrow	71,953	101,010	72,027	100,936
Elevator Inspection Fees	287,764	102,779	54,360	336,183
Nextel Rebanding Escrow Deposit	10,239			10,239
Fire Prevention Security	970			970
Police Off Duty Fees	386,478	1,507,120	1,552,435	341,163
Payment in Lieu of Parking	45,000	83,000		128,000
MAP Tax Assessor Emergency	730	-	730	-
	<u>\$ 19,031,228</u>	<u>\$ 19,033,005</u>	<u>\$ 14,697,704</u>	<u>\$ 23,366,529</u>
Cash Receipts		\$ 10,962,733		
Cash Disbursed			\$ 10,412,192	
Due from Grant Fund		149,396		
Due to/from Current Fund		<u>7,920,876</u>	<u>4,285,512</u>	
		<u>\$ 19,033,005</u>	<u>\$ 14,697,704</u>	

**CITY OF PASSAIC  
STATEMENT OF DUE FROM HUD  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, December 31, 2020		\$ 2,176,515
Increased by:		
Program Allotment - CDBG Year 47	\$ 1,370,222	
CDBG - CARES Act	1,151,196	
IDIS Adjustment	<u>328,226</u>	
		<u>2,849,644</u>
		5,026,159
Decreased by:		
Cash Receipts		
CDBG	1,333,203	
CDBG - CARES Act	<u>386,986</u>	
		<u>1,720,189</u>
Balance, December 31, 2021		<u>\$ 3,305,970</u>
	CDBG	\$ 3,305,920
	Emergency Solutions Grant	<u>50</u>
		<u>\$ 3,305,970</u>

**STATEMENT OF RESERVE FOR PROGRAM EXPENDITURE - CDBG/ESG  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, December 31, 2020		\$ 2,233,152
Increased by:		
Program Income	\$ 140	
Program Allotment - CDBG Year 47	1,370,222	
Program Allotment - Covid 19	1,151,196	
IDIS Adjustment	<u>234,564</u>	
		<u>2,756,122</u>
		4,989,274
Decreased by:		
CDBG/ESG Expenditures:		
Cash Disbursements		
CDBG	\$ 1,064,215	
CDBG - Covid 19	<u>386,986</u>	
		1,451,201
Payments made by Current Fund		194,987
Payments made by Grant Fund		<u>94,505</u>
		<u>1,740,693</u>
Balance, December 31, 2021		<u>\$ 3,248,581</u>
	<u>Analysis of Balance - December 31, 2021</u>	
	Program Income - CDBG - Unapprop.	\$ 94,997
	Program Years CDBG - Approp. Res.	3,150,989
	Program Income - ESG - Unapprop.	2,545
	Emergency Solutions Grant	<u>50</u>
		<u>\$ 3,248,581</u>

**CITY OF PASSAIC  
STATEMENT OF DUE FROM HUD -  
HOME INVESTMENT PROGRAM FUND**

Balance, December 31, 2020		\$ 2,283,484
Increased by:		
Grant Allotments		
Current Year Allotment - Year 47	\$ 870,442	
American Rescue Plan - ARP	3,154,749	
IDIS Adjustment	<u>841,191</u>	
		<u>4,866,382</u>
		7,149,866
Decreased by:		
Cash Receipts - HUD		<u>191,520</u>
Balance, December 31, 2021		<u>\$ 6,958,346</u>

EXHIBIT B-13

**STATEMENT OF OTHER RECEIVABLES  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, December 31, 2020		<u>\$ 155,454</u>
Balance, December 31, 2021		<u>\$ 155,454</u>

Analysis of Balance

Business and Housing Loans		<u>\$ 155,454</u>
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EXHIBIT B-14

**STATEMENT OF MORTGAGE RECEIVABLE  
HOME INVESTMENT PROGRAM FUND**

Balance, December 31, 2020		<u>\$ 455,237</u>
Balance, December 31, 2021		<u>\$ 455,237</u>

**CITY OF PASSAIC  
STATEMENT OF RESERVE FOR PROGRAM EXPENDITURES - UDAG  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, December 31, 2020	\$ <u>8,122</u>
Balance, December 31, 2021	\$ <u><u>8,122</u></u>

**STATEMENT OF DUE TO CURRENT FUND  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, December 31, 2020	\$ 146,601
Increased by:	
Payments made by Current Fund	<u>194,987</u>
Balance, December 31, 2021	\$ <u><u>341,588</u></u>

**STATEMENT OF DUE TO GRANT FUND  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Increased by:	
Payments made by Grant Fund	<u>94,505</u>
Balance, December 31, 2021	\$ <u><u>94,505</u></u>

**STATEMENT OF DUE FROM GRANT FUND  
HOME INVESTMENT PROGRAM FUND**

Balance, December 31, 2020	<u>167,036</u>
Balance, December 31, 2021	<u><u>167,036</u></u>

**STATEMENT OF DUE FROM CDBG FUND  
HOME INVESTMENT PROGRAM FUND**

IDIS Adjustment	<u>93,662</u>
Balance, December 31, 2021	<u><u>93,662</u></u>

**CITY OF PASSAIC  
STATEMENT OF DUE TO CURRENT FUND  
HOME INVESTMENT PROGRAM FUND**

Balance, December 31, 2020		\$ 324,222
Increased by:		
Payments made by Current Fund		76,524
		400,746
Decreased by:		
Payments to Current Fund		233
Balance, December 31, 2021		\$ 400,513

EXHIBIT B-21

**STATEMENT OF RESERVE FOR HOME INVESTMENT PROGRAM -  
HOME INVESTMENT PROGRAM FUND**

Balance, December 31, 2020		\$ 2,214,254
Increased by:		
Grant Allotments		
Current Year Allotment - Year 47	\$ 870,442	
American Rescue Plan - ARP	3,154,749	
IDIS Adjustment	934,853	
Program Income - Cash Receipts	88,429	
		5,048,473
		7,262,727
Decreased by:		
Cash Disbursements Grant Allotment/Program Income	\$ 102,653	
Payments made by Current Fund	76,524	
		179,177
Balance, December 31, 2021		\$ 7,083,550

Analysis of Balance - December 31, 2021

Program Income - Unappropriated		\$ 135,032
Program Years Appropriated Reserves		3,793,769
ARP - Appropriated Reserves		3,154,749
		\$ 7,083,550

**GENERAL CAPITAL FUND**

**CITY OF PASSAIC**  
**STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS - TREASURER**

Balance, December 31, 2020		\$ 6,087,236
Increased by Receipts:		
Interest Earned	\$ 665	
Premium on Bond Anticipation Notes	227,746	
Serial Bonds	<u>8,916,000</u>	
		<u>9,144,411</u>
		15,231,647
Decreased by Disbursements:		
Improvement Authorizations	1,944,755	
Encumbrances Payable	1,705,866	
Bond Anticipation Notes	8,916,000	
Payments for Current Fund	<u>89,160</u>	
		<u>12,655,781</u>
Balance, December 31, 2021		<u><u>\$ 2,575,866</u></u>

**CITY OF PASSAIC  
ANALYSIS OF GENERAL CAPITAL CASH**

		Balance December 31, <u>2021</u>
Capital Improvement Fund		\$ 714,806
Fund Balance		315,714
Encumbrances Payable		743,147
Due to Current Fund		(466,528)
Reserve for Road and Sewer Improvements		128,171
Reserve for Payment of Debt		170,651
Reserve for Sale of Property		100,000
Improvement Authorizations		
<u>Ord. No.</u>	<u>Improvement Description</u>	
1036-88	Various Improvements	(2,075)
1542-02/1784-08	Various Improvements	20,621
1587-03	Various Improvements	6,667
1675-05/1442-98	Various Park Improvements	217
2012-15	Improvement of Website	3,155
2050-16	Various Capital Improvements	8,219
2158-18	Remediation of DPW Garage and NJ Clean Energy Direct Install	142,249
2169-18	Various Capital Improvements	403,350
2242-19	Purchase of 99-11 Passaic Street	52,807
2305-21	Various Capital Improvements	234,695
		<u>\$ 2,575,866</u>

**CITY OF PASSAIC  
STATEMENT OF DUE FROM CURRENT FUND**

Balance, December 31, 2020 (Due to)		\$ 138
Increased by:		
Interest Earned		665
		803
Decreased by:		
Interest on Notes Paid by Capital - 2021 Budget Appropriation	\$ 89,160	
Reserve for Road and Sewer - 2020 Budget Appropriation	128,171	
Capital Improvement Fund - 2021 Budget Appropriation	250,000	
		467,331
Balance, December 31, 2021 (Due to)		\$ 466,528

**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, December 31, 2020		\$ 11,555,414
Increased by:		
General Obligation Serial Bonds Issued		8,916,000
		20,471,414
Decreased by:		
Payment of Bonds - Budget Appropriation	\$ 1,250,000	
Payment of Loans- Budget Appropriation	118,474	
		1,368,474
Balance, December 31, 2021		\$ 19,102,940

**CITY OF PASSAIC  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2020</u>	2021 <u>Authorizations</u>	Serial Bond <u>Issued</u>	Balance, December 31, <u>2021</u>	<u>Analysis of Balance December 31, 2021</u>  <u>Expended</u>
1036-88	Various Improvements	\$ 2,075			\$ 2,075	\$ 2,075
2169-18	Various Capital Improvements	7,345,000		\$ 7,345,000	-	
2242-19	Purchase of 99-11 Passaic Street	<u>1,571,000</u>	<u>-</u>	<u>1,571,000</u>	<u>-</u>	<u>-</u>
		<u>\$ 8,918,075</u>	<u>\$ -</u>	<u>\$ 8,916,000</u>	<u>\$ 2,075</u>	<u>\$ 2,075</u>

Bond Anticipation Notes

**CITY OF PASSAIC  
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2020	\$ 464,806
Increased by:	
Due from Current Fund - 2021 Budget Appropriation	<u>250,000</u>
Balance, December 31, 2021	<u><u>\$ 714,806</u></u>

**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2020	\$ 1,709,604
Increased by:	
Charges to Improvement Authorizations	<u>743,144</u>
	2,452,748
Decreased by:	
Payments	\$ 1,705,866
Encumbrances Payable Cancelled	<u>3,735</u>
	<u>1,709,601</u>
Balance, December 31, 2021	<u><u>\$ 743,147</u></u>

**CITY OF PASSAIC  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Balance, December 31, 2020		2021 Authorizations		Encumbrances Payable Cancelled	Expended	Balance, December 31, 2021	
		Funded	Unfunded	Reserve for Road Improvements	Reserve for Sidewalk Improvements			Funded	Unfunded
1542-02 / 1784-08	Various Improvements	\$ 20,621						\$ 20,621	
1587-03	Various Improvements	6,667						6,667	
1675-05/1442-98	Various Park Improvements - Supplemental	217						217	
2012-15	Improvement of Website	3,155						3,155	
2040-16	Various Capital Improvements	86,286					\$ 86,286	-	
2050-16	Various Capital Improvements	4,484				\$ 3,735		8,219	
2101-17	Various Capital Improvements							-	
2158-18	Remediation of DPW Garage and NJ Clean Energy Direct Install Project	142,249						142,249	
2169-18	Various Capital Improvements		\$ 2,782,952				2,379,602	403,350	
2242-19	Purchase of 99-11 Passaic Street		120,721				67,914	52,807	
2305-21	Various Capital Improvements	-	-	\$ 383,792	\$ 5,000	-	154,097	234,695	-
		<u>\$ 263,679</u>	<u>\$ 2,903,673</u>	<u>\$ 383,792</u>	<u>\$ 5,000</u>	<u>\$ 3,735</u>	<u>\$ 2,687,899</u>	<u>\$ 871,980</u>	<u>\$ -</u>
							\$ 1,944,755		
							743,144		
							<u>\$ 2,687,899</u>		

CITY OF PASSAIC  
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	<u>Improvement Description</u>	Original Amount of Note	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2020	Increased	Decreased	Balance, December 31, 2021
2169-18	Various Capital Improvements	\$ 4,500,000	8/27/2019	8/26/2020	8/26/2021	1.00%	\$ 7,345,000		\$ 7,345,000	-
2242-19	Purchase of 99-11 Passaic Street	1,571,000	8/26/2020	8/26/2020	8/26/2021	1.00%	<u>1,571,000</u>	-	<u>1,571,000</u>	-
							<u>\$ 8,916,000</u>	<u>\$ -</u>	<u>\$ 8,916,000</u>	<u>\$ -</u>

**CITY OF PASSAIC  
STATEMENT OF BONDS PAYABLE**

<u>Purpose.</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>					
General Obligation Bonds	6/6/2017	\$ 8,581,000	6/15/2022	\$ 600,000	2.000%				
			6/15/2023	600,000	2.000%				
			6/15/2024	600,000	2.000%				
			6/15/2025	600,000	2.000%				
			6/15/2026	600,000	2.125%				
			6/15/2027	1,100,000	3.000%				
			6/15/2028	1,100,000	3.000%				
			6/15/2029	1,081,000	3.000%	\$ 6,881,000	\$ 600,000	\$ 6,281,000	
General Obligation Refunding Bonds	12/9/2020	3,775,000	8/1/2022	600,000	5.00%				
			8/1/2023	605,000	5.00%				
			8/1/2024	635,000	5.00%				
			8/1/2025	640,000	5.00%				
			8/1/2026	645,000	5.00%	3,775,000		650,000	3,125,000
General Obligation Bonds	8/25/2021	8,916,000	8/15/2022	301,000	2.00%				
			8/15/2023	375,000	2.00%				
			8/15/2024	400,000	2.00%				
			8/15/2025	425,000	2.00%				
			8/15/2026	450,000	2.00%				
			8/15/2027	500,000	2.00%				
			8/15/2028	525,000	2.00%				
			8/15/2029	550,000	2.00%				
			8/15/2030	590,000	2.00%				
			8/15/2031	600,000	2.00%				
			8/15/2032	600,000	2.00%				
			8/15/2033	600,000	2.00%				
			8/15/2034	600,000	2.00%				
			8/15/2035	600,000	2.00%				
			8/15/2036	600,000	2.00%				
			8/15/2037	600,000	2.00%				
			8/15/2038	600,000	2.00%	-	\$ 8,916,000	-	8,916,000
						<u>\$ 10,656,000</u>	<u>\$ 8,916,000</u>	<u>\$ 1,250,000</u>	<u>\$ 18,322,000</u>
General Obligation Bonds Issued						\$ 8,916,000			
Paid by Budget Appropriation						-	\$ 1,250,000		
						<u>\$ 8,916,000</u>	<u>\$ 1,250,000</u>		

**CITY OF PASSAIC  
STATEMENT OF GREEN ACRES LOANS PAYABLE**

Balance, December 31, 2020	\$ 899,414
Decreased by:	
Paid by Budget Appropriation	118,474
Balance, December 31, 2021	\$ 780,940

<u>Ord. No.</u>	<u>Description</u>	
1442-98/1622-04/ 1675-05	Dundee Island Field Rehabilitation	\$ 85,501
1442-98/1474-99/ 1622-04/1675-05	Third Ward Park Improvements	41,817
1442-98/1474-99/ 1622-04/1675-05	Hughes Lake	10,506
1655-05	Pulaski Park Renovation	7,923
1643-04	Roberto Clemente Field Improvements	211,796
1839-10	Pulaski Park Improvements	423,397
		\$ 780,940

**STATEMENT OF RESERVE FOR CURB AND SIDEWALK IMPROVEMENTS**

Balance, December 31, 2020	\$ 5,000
Decrease:	
Appropriated to Finance Improvement Authorization	5,000

**CITY OF PASSAIC  
STATEMENT OF RESERVE FOR ROAD AND SEWER IMPROVEMENTS**

Balance, December 31, 2020	\$ 383,792
Increase:	
Due from Current Fund	<u>128,171</u>
Decrease:	
Appropriated to Finance Improvement Authorization	<u>383,792</u>
Balance, December 31, 2021	<u>\$ 128,171</u>

**STATEMENT OF RESERVE FOR SALE OF PROPERTY**

Balance, December 31, 2020	<u>\$ 100,000</u>
Balance, December 31, 2021	<u>\$ 100,000</u>

**STATEMENT OF RESERVE FOR PAYMENT OF DEBT**

Balance, December 31, 2020	<u>\$ 170,651</u>
Balance, December 31, 2021	<u>\$ 170,651</u>

**CITY OF PASSAIC**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ord.</u> <u>No.</u>	<u>Description</u>	Balance December 31, <u>2020</u>	Balance December 31, <u>2021</u>
1036-88	Various Improvements	\$ <u>2,075</u>	\$ <u>2,075</u>
		\$ <u>2,075</u>	\$ <u>2,075</u>

**SEWER UTILITY FUND**

**CITY OF PASSAIC  
STATEMENT OF SEWER UTILITY CASH**

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2020	\$ 194,204	\$ 6,608
Increased by Receipts:		
Sewer Rents Received	\$ 5,068,994	
Other Accounts Receivable	159,729	
Received from Current Fund	<u>2,451,000</u>	
	<u>7,679,723</u>	<u>-</u>
	7,873,927	6,608
Decreased by Disbursements:		
2021 Budget Appropriations	6,015,415	
2020 Appropriation Reserves	65,123	
Encumbrances Payable	184,369	
Interest on Bonds	<u>26,114</u>	
	<u>6,291,021</u>	<u>-</u>
Balance, December 31, 2021	<u>\$ 1,582,906</u>	<u>\$ 6,608</u>

EXHIBIT D-5

**ANALYSIS OF SEWER CAPITAL CASH**

Due to Sewer Utility Operating Fund	\$ 48
Reserve for Payment of Debt	14,794
Improvement Authorizations:	
<u>Ord. No.</u>	
1611-04 Various Sewer Improvements	(44,000)
2032-15 Improvements and Repairs to Sewer Pipes	<u>35,766</u>
Balance, December 31, 2021	<u>\$ 6,608</u>

**CITY OF PASSAIC  
STATEMENT OF CONSUMERS' ACCOUNTS RECEIVABLE  
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2020	\$ 975,959
Increased by:	
Sewer Rents Levied - Net	<u>5,361,261</u>
	6,337,220
Decreased by:	
Sewer Rents Collected:	
Cash Receipts from Passaic Valley Water Commission	<u>5,068,994</u>
Balance, December 31, 2021	<u>\$ 1,268,226</u>

EXHIBIT D-7

**STATEMENT OF OTHER ACCOUNTS RECEIVABLE  
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2020	\$ 9
Increased by:	
St. Mary's Sewer Rents Levied - Net	<u>168,014</u>
	168,023
Decreased by:	
Cash Receipts	<u>159,729</u>
Balance, December 31, 2021	<u>\$ 8,294</u>

EXHIBIT D-8

**STATEMENT OF DEFERRED CHARGES  
SEWER UTILITY OPERATING FUND**

	Balance December 31, 2020	Added in 2021	Balance December 31, 2021
Special Emergency Authorizations - COVID 19	\$ 488,000		\$ 488,000
Operating Deficit	<u>-</u>	<u>\$ 346,686</u>	<u>346,686</u>
	<u>\$ 488,000</u>	<u>\$ 346,686</u>	<u>\$ 834,686</u>

**CITY OF PASSAIC  
STATEMENT OF FIXED CAPITAL  
SEWER UTILITY CAPITAL FUND**

	<u>Balance, December 31, 2020</u>	<u>Balance, December 31, 2021</u>
Sanitary Sewer System	\$ 5,577,974	\$ 5,577,974
Sewer Jet Cleaning Truck	185,000	185,000
T.V. Camera Truck	<u>125,000</u>	<u>125,000</u>
	<u>\$ 5,887,974</u>	<u>\$ 5,887,974</u>

**STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
SEWER UTILITY CAPITAL FUND**

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance, December 31, 2020</u>	<u>Balance, December 31, 2021</u>
2032-15	Improvements and Repairs to Sewer Pipes	<u>\$ 35,766</u>	<u>\$ 35,766</u>
		<u>\$ 35,766</u>	<u>\$ 35,766</u>

**CITY OF PASSAIC  
STATEMENT OF DUE TO CURRENT FUND  
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2020		\$ 321,405
Increased by:		
Cash Receipts	\$ 2,451,000	
Cancelled 2020 Appropriation Reserves	21,854	
Payments Made by Current Fund for Sewer Utility Operating Fund Budget	<u>156,115</u>	
		<u>2,628,969</u>
		2,950,374
Decreased by:		
Cash received by Current Fund	30,535	
Anticipated Revenue - Deficit (General Budget)	<u>851,000</u>	
		<u>881,535</u>
Balance, December 31, 2021		<u><u>\$ 2,068,839</u></u>

**STATEMENT OF DUE FROM SEWER UTILITY CAPITAL FUND  
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2020		<u>\$ 48</u>
Balance, December 31, 2021		<u><u>\$ 48</u></u>

**CITY OF PASSAIC  
STATEMENT OF ENCUMBRANCES PAYABLE  
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2020	\$ 184,369
Increased by:	
Charges to Budget Appropriations	<u>171,623</u>
	355,992
Decreased by:	
Cash Disbursed	<u>184,369</u>
Balance, December 31, 2021	<u><u>\$ 171,623</u></u>

**CITY OF PASSAIC  
STATEMENT OF ACCRUED INTEREST ON BONDS  
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2020	\$ 1,552
Increased by:	
Charges to Budget Appropriations	
Interest on Bonds	<u>31,944</u>
	33,496
Decreased by:	
Interest Paid	<u>26,114</u>
Balance, December 31, 2021	<u><u>\$ 7,382</u></u>

**CITY OF PASSAIC  
STATEMENT OF 2020 APPROPRIATION RESERVES  
SEWER UTILITY OPERATING FUND**

	Balance December 31, <u>2020</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>OPERATING</b>				
Other Expenses	\$ 72,705	\$ 72,705	\$ 65,123	\$ 7,582
Sewer Treatment Expenses	308	308	-	308
Sewer Maintenance Fee - Contractual	<u>13,964</u>	<u>13,964</u>	<u>-</u>	<u>13,964</u>
	<u>\$ 86,977</u>	<u>\$ 86,977</u>	<u>\$ 65,123</u>	<u>\$ 21,854</u>

**CITY OF PASSAIC  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS  
SEWER UTILITY CAPITAL FUND**

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2020</u>		<u>Balance December 31, 2021</u>	
			<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
2032-15	Improvements and Repairs to Sewer Pipes	\$ 35,766	\$ 35,766	-	\$ 35,766	-
			<u>\$ 35,766</u>	<u>\$ -</u>	<u>\$ 35,766</u>	<u>\$ -</u>

**CITY OF PASSAIC  
STATEMENT OF RESERVE FOR AMORTIZATION  
SEWER UTILITY CAPITAL FUND**

Balance, December 31, 2020	\$ 4,897,974
Increased by:	
Serial Bonds Paid by Operating Budget	130,000
Balance, December 31, 2021	\$ 5,027,974

**STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION  
SEWER UTILITY CAPITAL FUND**

Balance, December 31, 2020	\$ 35,766
Balance, December 31, 2021	\$ 35,766

**Analysis of Balance - December 31, 2021**

<u>Ord.</u>	<u>Description</u>	<u>Amount</u>
2032-15	Improvements and Repairs to Sewer Pipes	\$ 35,766

**CITY OF PASSAIC  
STATEMENT OF SERIAL BONDS  
SEWER UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>					
Sewer Bonds of 2017	6/6/2017	\$ 646,000	6/15/2022	\$ 40,000	2.000%				
			6/15/2023	40,000	2.000%				
			6/15/2024	45,000	2.000%				
			6/15/2025	45,000	2.000%				
			6/15/2026	80,000	2.125%				
			6/15/2027	80,000	3.000%				
			6/15/2028	80,000	3.000%				
			6/15/2029	76,000	3.000%	\$ 526,000		\$ 40,000	\$ 486,000
Sewer Refunding Bonds of 2020	12/9/2020	420,000	8/1/2022	80,000	5.000%				
			8/1/2023	80,000	5.000%				
			8/1/2024	85,000	5.000%				
			8/1/2025	85,000	5.000%	<u>420,000</u>	<u>\$ -</u>	<u>90,000</u>	<u>\$ 330,000</u>
						<u>\$ 946,000</u>	<u>\$ -</u>	<u>\$ 130,000</u>	<u>\$ 816,000</u>
								<u>\$ 130,000</u>	
								<u>\$ 130,000</u>	

**CITY OF PASSAIC  
STATEMENT OF RESERVE FOR PAYMENT OF DEBT  
SEWER UTILITY CAPITAL FUND**

Balance, December 31, 2020	\$ <u>14,794</u>
Balance, December 31, 2021	\$ <u><u>14,794</u></u>

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
SEWER UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2020</u>	Balance, December 31, <u>2021</u>
1611-04	Various Sewer Improvements	\$ <u>44,000</u>	\$ <u>44,000</u>
		\$ <u><u>44,000</u></u>	\$ <u><u>44,000</u></u>

**CITY OF PASSAIC**

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**PART II**

**SINGLE AUDIT SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

### INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the City Council  
City of Passaic  
Passaic, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the City of Passaic as of and for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated July 22, 2022. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1.

#### **Report on Internal Control over Financial Reporting**

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

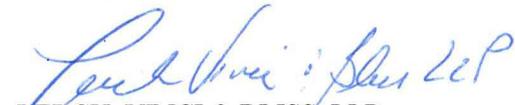
**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Passaic’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 financial statements. 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 and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the City of Passaic in Part III of this report of audit entitled, “Letter of Comments and Recommendations”.

**Purpose of this Report**

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



LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Registered Municipal Accountants



Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CS00398

Fair Lawn, New Jersey  
July 22, 2022



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY  
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR’S REPORT**

Honorable Mayor and Members  
of the Borough Council  
City of Passaic  
Passaic, New Jersey

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

***Opinion on Each Major Federal and State Program***

We have audited the City of Passaic’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the City of Passaic’s major federal and state programs for the year ended December 31, 2021. The City of Passaic’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Passaic complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Passaic and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the City of Passaic’s compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the City of Passaic's federal and state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Passaic's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Passaic's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Passaic's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Passaic's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the City of Passaic's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements - regulatory basis of the City of Passaic as of and for the year ended December 31, 2021, and the related notes to the financial statements and have issued our report thereon dated July 22, 2022, which contained an unmodified opinion on those financial statements prepared in accordance with the regulatory basis of accounting and also contained a modified opinion on those financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.



LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Registered Municipal Accountants



Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CS00398

Fair Lawn, New Jersey  
July 22, 2022

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>State Grant Program</u>	<u>CFDA Number</u>	<u>State Acct Number</u>	<u>Grant Award Amount</u>	<u>Grant Receipts</u>	<u>Balance, December 31, 2020</u>	<u>Revenue Realized</u>	<u>Program Income</u>	<u>Expenditures</u>	<u>Adjustment</u>	<u>Balance, December 31, 2021</u>	<u>Cumulative Expended</u>
<b>U.S. Department of Health and Human Services</b>											
Ryan White Title I - 2021	93.924	N/A	\$ 137,441	\$ 82,919		\$ 137,441		\$ 15,402		\$ 122,039	\$ 15,402
Ryan White Title I - 2020	93.924	N/A	163,806	47,508	\$ 137,905			131,450		6,455	157,351
Ryan White Title I - 2019	93.924	N/A	162,017		81,639			1,277		80,362	81,635
Ryan White Title I Substance Abuse - 2019	93.924	N/A	21,995		21,995					21,995	-
Ryan White Title I - 2018	93.924	N/A	166,948	16,304	71,831					71,831	95,117
Ryan White Title I - 2017	93.924	N/A	166,931		66,381					66,381	100,550
Ryan White Title I - 2016 - TY	93.924	N/A	34,084		23,518					23,518	10,566
Ryan White Title I - 2015	93.924	N/A	152,343		83,667					83,667	68,676
<b>Total Ryan White Title I Cluster</b>					<b>486,956</b>	<b>137,441</b>	<b>-</b>	<b>148,129</b>	<b>-</b>	<b>476,248</b>	<b>529,317</b>
<b>U.S. Department of Health - (Pass through State Division of Family Health Services)</b>											
Women, Infants, and Children-2022 - Infrastructure	10.557	046-4220-100-113-22	32,800			32,800				32,800	-
Women, Infants, and Children-2021	10.557	046-4220-100-113-21	1,116,055	64,074		1,116,055		231,230		884,825	231,230
Women, Infants, and Children-2020	10.557	046-4220-100-113-20	1,141,189	158,144	922,081			821,722		100,359	1,040,830
Women, Infants, and Children-2019	10.557	046-4220-100-113-19	1,109,988	984,604	23,226					23,226	1,086,762
Women, Infants, and Children-2018	10.557	046-4220-100-113-19	1,091,752		73,554					73,554	1,018,198
Women, Infants, and Children-2018	10.557	046-4220-100-113-18	1,091,091		18,805					18,805	1,072,286
Women, Infants, and Children-2017	10.557	046-4220-100-113-17	1,099,400		8,573					8,573	1,090,827
Women, Infants, and Children-2016	10.557	046-4220-100-113-16	1,045,311		19,326					19,326	1,025,985
Women, Infants, and Children-2015	10.557	046-4220-100-113-15	278,420		4,713					4,713	273,707
<b>Total Women, Infants, and Children Cluster</b>					<b>1,070,278</b>	<b>1,148,855</b>	<b>-</b>	<b>1,052,952</b>	<b>-</b>	<b>1,166,181</b>	<b>6,839,825</b>
<b>U.S. Department of Agriculture - (Pass through State Division of Food and Nutrition)</b>											
21 Summer Food Program	10.559	010-3350-100-033-21	217,563	139,357		217,563		167,590		49,973	167,590
20 Summer Food Program	10.559	010-3350-100-033-20	226,476		113,016			80		112,936	113,540
19 Summer Food Program	10.559	010-3350-100-033-19	356,070		272,614					272,614	83,456
18 Summer Food Program	10.559	010-3350-100-033-18	380,807		71,076					71,076	309,731
17 Summer Food Program	10.559	010-3350-100-033-17	259,759		123,383					123,383	136,376
16 Summer Food Program	10.559	010-3350-100-033-16	374,560		157,226					157,226	217,334
<b>Total Summer Food Program Cluster</b>					<b>737,315</b>	<b>217,563</b>	<b>-</b>	<b>167,670</b>	<b>-</b>	<b>787,208</b>	<b>1,028,027</b>
<b>Pass through Dept of Law and Public Safety-Division of Criminal Justice:</b>											
Byrne Memorial Justice Asst. 2021	16.738	066-1020-100-364-21	169,234			169,234				169,234	-
Byrne Memorial Justice Asst. 2019	16.738	066-1020-100-364-19	180,339		180,339					180,339	-
Byrne Memorial Justice Asst. 2018	16.738	066-1020-100-364-18	191,956		182,706		3,678			179,028	12,928
Byrne Memorial Justice Asst. 2017	16.738	066-1020-100-364-17	203,547		142,090					142,090	61,457
Byrne Memorial Justice Asst. 2016 - TY	16.738	066-1020-100-364-16	225,070		154,937					154,937	70,133
Byrne Memorial Justice Asst. 2015	16.738	066-1020-100-364-15	246,078		4					4	246,074
Byrne Memorial Justice Asst. 2014	16.738	066-1020-100-364-14	223,632		7,954					7,954	215,678
<b>Total Byrne Memorial Justice Asst. Cluster</b>					<b>668,030</b>	<b>169,234</b>	<b>-</b>	<b>3,678</b>	<b>-</b>	<b>833,586</b>	<b>606,270</b>
<b>U.S. Department of Homeland Security Assistance to Firefighters - 2020</b>											
	97.044	EMW-2020-FG-15839	142,651		-	142,651		-		142,651	-
<b>U.S. Department of Homeland Security (Passed through State Department of Law and Public Safety)</b>											
Fire Safer Program	97.083	N/A	\$ 1,202,209	170,879	461,685			274,193		187,492	1,014,717
Fire Safer Program	97.083	N/A	1,094,988		147,840					147,840	947,148
<b>Total Fire Safer Program Cluster</b>					<b>609,525</b>	<b>-</b>	<b>-</b>	<b>274,193</b>	<b>-</b>	<b>335,332</b>	<b>1,961,865</b>

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	CFDA Number	State Acct Number	Grant Award Amount	Grant Receipts	Balance, December 31, 2020	Revenue Realized	Program Income	Expenditures	Adjustment	Balance, December 31, 2021	Cumulative Expended
<b>State Grant Program</b>											
U.S. Department of Transportation - (Pass through State Depart of Transportation - Local Municipal Aid Highway Planning and Construction Program Urban Gateway Enhancement Program - 2021 Transportation Trust - Howel/Lincoln/St. Francis	20.205	N/A 078-6320-480-XXX	\$ 32,000 260,500	\$ 9,565	\$ 61,555	\$ 32,000 -	-	\$ 8,789 -	-	\$ 23,211 61,555	\$ 8,789 198,945
Transportation Alternatives Set Aside Program Market Street PE and FD Phase Railroad ROW	20.205	TA-2020	141,024 1,000,000			141,024 1,000,000	-	-	-	141,024 1,000,000	- -
Safe Streets to Transit Program Safe Streets to Transit Improvements - 2021	20.205	SST-2021	200,000		-	200,000	-	-	-	200,000	-
<b>Total Department of Transportation - Cluster</b>					<b>61,555</b>	<b>1,373,024</b>	<b>-</b>	<b>8,789</b>	<b>-</b>	<b>1,425,790</b>	<b>207,734</b>
U.S. Department of Justice - (Pass through Dept of Law and Public Safety- Division of Highway Traffic Safety)											
Drunk Driver Prevention (Drive Sober) - Dec 2021	20.616	066-1160-100-057-21	9,000	7,920		9,000		7,440		1,560	7,440
Drunk Driver Prevention (Drive Sober) - Dec 2020	20.616	066-1160-100-057-20	9,000	8,880	9,000			8,160		840	8,160
Drunk Driver Prevention (Drive Sober) - Dec 2019	20.616	066-1160-100-057-19	5,500		110					110	5,390
Drunk Driver Prevention (Drive Sober) - Dec 2018	20.616	066-1160-100-057-18	5,500		1,375					1,375	4,125
Drunk Driver Prevention (Drive Sober) - Dec 2017	20.616	066-1160-100-057-17	5,500		5,500					5,500	-
Drunk Driver Prevention (Drive Sober) - Sept 2017	20.616	066-1160-100-057-17	5,500		110					110	5,390
Drunk Driver Prevention (Drive Sober)	20.616	066-1160-100-057-16	10,000		425					425	9,575
Drunk Driver Prevention (Drive Sober)	20.616	066-1160-100-057-15	5,000		5,000					5,000	-
Drunk Driver Prevention (Drive Sober)	20.616	066-1160-100-057-XX	7,500		3,800					3,800	3,700
Click It or Ticket - Seat Belt Campaign	20.616	066-1160-100-146-21	9,000	9,000		9,000		8,040		960	8,040
Click It or Ticket - Seat Belt Campaign	20.616	066-1160-100-146-17	5,500		55					55	5,445
Pedestrian Safety Grant - Walk Safe - 2020	20.609	066-1160-100-146-XX	30,000		10,557					10,557	19,443
Pedestrian Safety Grant - Walk Safe - 2021	20.609	066-1160-100-146-XX	30,000	14,940	27,840			13,390		14,450	15,550
Pedestrian Safety Grant - Walk Safe	20.609	066-1160-100-146-XX	25,000		21,535					21,535	3,465
Pedestrian Safety Grant - Walk Safe	20.609	066-1160-100-146-XX	18,000		2,925					2,925	14,875
Pedestrian Safety Grant	20.609	066-1160-100-146-XX	16,000		5,850					5,850	10,150
Distracted Driving Crackdown - 2021	20.616	N/A-2021	10,500	10,440		10,500		10,020		480	10,020
Distracted Driving Crackdown - 2019	20.616	N/A-2018	5,500		330					330	5,170
Distracted Driving Crackdown	20.616	N/A-2018	6,600		2,915					2,915	3,685
Distracted Driving Crackdown	20.616	N/A	5,000		50					50	4,950
<b>Total Highway Safety Cluster</b>					<b>97,377</b>	<b>28,500</b>	<b>-</b>	<b>47,050</b>	<b>-</b>	<b>78,827</b>	<b>144,573</b>
U.S. Department of Justice - (Pass through Dept of Law and Public Safety- Office of Community Policing) COPS Hiring Grant	16.710	2020-UMWX-0143	1,000,000		1,000,000					1,000,000	-
U.S. Department of Justice - (Pass through Dept of Law and Public Safety- Bureau of Justice assistance) Corona Virus Emerg. Supplemental Funding Prog.	16.034	2020-VDBX-1360	128,904		128,904			124,940		3,964	124,940
U.S. Department of Justice - (Pass through Dept of Law and Public Safety- Equitable Sharing Program) Patrick Leahy Bullet Proof Vest - 2020 Patrick Leahy Bullet Proof Vest - 2019	16.922 16.922	N/A N/A	3,600 31,546	3,733	3,600 31,546	- -	- -	- -	- -	3,600 31,546	- -
<b>Total Patrick Leahy Cluster</b>					<b>35,146</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,146</b>	<b>-</b>

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	CFDA Number	State Acct Number	Grant Award Amount	Grant Receipts	Balance, December 31, 2020	Revenue Realized	Program Income	Expenditures	Adjustment	Balance, December 31, 2021	Cumulative Expended
<b>State Grant Program</b>											
U.S. Department of Housing and Urban Development (Passed Through Passaic County Department of Community Development)											
Disaster Rec Gr - McDonald Brook - Ammend 8	14.269	N/A	\$ 33,080		\$ 33,080			\$ 33,080		-	\$ 33,080
Disaster Recovery Grant - McDonald Brook	14.269	N/A	1,374,114		56,852	-	-	56,852	-	-	1,374,114
Total Disaster Recovery Cluster					89,932	-	-	89,932	-	-	1,407,194
U.S. Department of Housing and Urban Development CDBG Entitlement Grants	14.218	N/A	1,370,222		1,741,439	\$ 1,370,222	\$ 140	1,353,707	\$ 234,564	\$ 1,992,658	1,353,707
CDBG - COVID-CV	14.218		1,952,247		489,118	1,151,196		386,986		1,253,328	386,986
Emergency Solutions Grant	14.231	N/A			2,595	-	-	-	-	2,595	-
Total CDBG/ESG Cluster					2,233,152	2,521,418	140	1,740,693	234,564	3,248,581	1,740,693
U.S. Department of Housing and Urban Development Home Investment Partnership Program	14.239	N/A	870,442		2,214,254	870,442	88,429	179,177	934,853	3,928,801	179,177
Home Investment Partnership Program - ARP	14.239	N/A	3,154,749		-	3,154,749	-	-	-	3,154,749	-
Total HOME Cluster					2,214,254	4,025,191	88,429	179,177	934,853	7,083,550	179,177
U.S. Department of Treasury Corona Virus State and Local Fiscal Recovery Funds - ARP	21.027		15,565,804	15,565,804		15,565,804		5,292,242		10,273,562	5,292,242
U.S. Department of Treasury (Passed Through NJ Department of Community Affairs - NPP)											
Neighborhood Preservation Program - Covid Relief - 19 Relief & Recovery	21.019	2020-100-022-8020	700,000			700,000		700,000			
Neighborhood Preservation Program - Covid Relief - 19 Relief & Recovery	21.019	2020-100-022-8020	190,200					9,657	9,657		190,200
U.S. Department of Treasury (Passed Through Passaic County Dept of Finance and Administration)											
CARES ACT - COVID-19 Corona Virus Aid Relief	21.019	N/A	5,571,735	5,057,944	2,945,556	-	-	2,945,556	-	-	2,945,556
Total Corona Virus Relief Funds - Cluster					2,945,556	16,265,804	-	8,947,455	9,657	10,273,562	8,427,998
					\$ 12,377,960	\$ 26,029,681	\$ 88,569	\$ 12,784,658	\$ 1,179,074	\$ 26,890,626	\$ 25,402,699

N/A - Not Applicable

Adjustments - Grant programs reclassified from state programs to federal programs. Prior year IDIS adjustments

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2021

State Grant Program	Account Numbers	Grant Year	Grant Award	Grant Receipts	Balance, December 31, 2020	Revenue Realized	Local Match	Expended	Adjustments	Balance, December 31, 2021	Cumulative Expended
Department of Community Affairs											
Clean Communities Grant	042-4900-765-004-20	2020	\$ 74,472			\$ 74,472				\$ 74,472	-
Clean Communities Grant	042-4900-765-004-19	2019	82,586			82,586		\$ 19,969		62,617	\$ 19,969
Clean Communities Grant	042-4900-765-004-18	2018	73,545		\$ 33,246			33,246		-	73,545
Clean Communities Grant	042-4900-765-004-15	2015	79,122		149			-		149	78,973
Total Clean Communities Cluster					33,395	157,058	-	53,215	-	137,238	172,487
Recreation Opportunity	022-8050-100-035-13	2019	13,311		13,311					13,311	-
Recreation Opportunity	022-8050-100-035-13	2018	20,000		10,043					10,043	9,957
Recreation Opportunity	022-8050-100-035-13	2015	19,860		9,860					9,860	10,000
Total Recreation Opportunity Cluster					33,214	-	-	-	-	33,214	19,957
Recycling Tonnage	042-4900-752-001-20	2020	153,337	153,337		153,337				153,337	-
Recycling Tonnage	042-4900-752-001-19	2019	160,267			160,267				160,267	-
Recycling Tonnage	042-4900-752-001-18	2018	109,211		109,211					109,211	-
Recycling Tonnage	042-4900-752-001-17	2017	74,794		72,544					72,544	2,250
Recycling Tonnage	042-4900-752-001-16	2016	95,963		67,765			53,043		14,722	81,241
Recycling Tonnage	042-4900-752-001-15	2015	97,374		31					31	97,343
Recycling Tonnage	042-4900-752-001-12	2012	97,518		28,659					28,659	68,859
Total Recycling Tonnage Cluster					278,210	313,604	-	53,043	-	538,771	249,693
Municipal Lead Abatement (DCA)	2020-02330-0500	2020	166,877	83,928	-	166,877	-	-	-	166,877	-
Department of Health											
Alcohol Education and Rehabilitation	760-046-4240-001	2021	9,315	9,315		9,315				9,315	-
Alcohol Education and Rehabilitation	760-046-4240-001	2019	6,269		6,269					6,269	-
Alcohol Education and Rehabilitation	760-046-4240-001	2018	12,889		2,689					2,689	10,200
Alcohol Education and Rehabilitation	760-046-4240-001	2017	18,337		9,191					9,191	9,146
Alcohol Education and Rehabilitation	760-046-4240-001	2016	26,650		26,650					26,650	-
Total Alcohol Education & Rehabilitation Cluster					44,799	9,315	-	-	-	54,114	19,346
Child Health - Childhood Lead Exposure - 2019	DFHS19CHD023	2019	817,000		236,762					236,762	580,238
Child Health - Childhood Lead Exposure - 2018	DFHS18CHD007	2017/2018	575,665		1,647					1,647	574,018
Total Child Health					238,409	-	-	-	-	238,409	1,154,256
Childhood Lead - 2022	OLPH21CLPO10	2022	562,500			\$ 562,500		184,313		378,187	184,313
Childhood Lead - 2021	OLPH21CLPO10	2021	562,500	543,547	562,500			359,423		203,077	359,423
Childhood Lead - 2019	OLPH20CLPO10	2019	750,000	109,087	7,166			6,322		844	749,156
Childhood Lead Poisoning Prevention - TY	16-348-CHS-L-0	2016	159,250		344					344	158,906
Childhood Lead Poisoning Prevention	16-348-CHS-L-0	2016	159,250		5,579					5,579	153,671
Total Childhood Lead					575,589	562,500	-	550,058	-	588,031	1,605,469
Total Childhood Health/Lead Cluster					813,998	562,500	-	550,058	-	826,440	2,759,725

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>State Grant Program</u>	<u>Account Numbers</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Grant Receipts</u>	<u>Balance, December 31, 2020</u>	<u>Revenue Realized</u>	<u>Local Match</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Balance, December 31, 2021</u>	<u>Cumulative Expended</u>
Department of Health COVID-19 Vaccination Supp. Funding -2022	OLPH22VSF059	2021	\$ 50,000		-	\$ 50,000	-	\$ 18,795	-	\$ 31,205	\$ 18,795
Department of Health Strength Loc Pub Health Capa Prog - 2022	N/A	2022	291,042	\$ 25,456	-	291,042	-	52,285	-	238,757	52,285
Strength Loc Pub Health Capa Prog - 2021	N/A	2021	142,236	80,934	-	142,236	-	69,687	-	72,549	69,687
Total Strength Loc Pub Health Capa Prog - Cluster					-	433,278	-	121,972	-	311,306	121,972
Passed Thru County of Passaic											
Municipal Alliance	N/A	21/22	17,312			17,312		6,501		10,811	6,501
Municipal Alliance - 5th Q	N/A	2020	3,158		\$ 3,158					3,158	
Municipal Alliance	N/A	2020	12,985	12,981	9,897			9,894		3	12,982
Municipal Alliance	N/A	2019	39,478	3,386	5,980					5,980	33,498
Municipal Alliance	N/A	2018	39,478		1,102					1,102	38,376
Municipal Alliance	N/A	2017	39,478		313					313	39,165
Municipal Alliance - TY	N/A	2016	39,478		119					119	39,359
Municipal Alliance	N/A	2016	10,194		9,964					9,964	230
Municipal Alliance	N/A	2015	39,478		1,979					1,979	37,499
Total Municipal Alliance Cluster					32,512	17,312	-	16,395	-	33,429	207,610
Multi Cultural	N/A	2015	700		700					700	-
Department of Law and Public Safety											
Drunk Driving Enforcement	1110-448-031020-22	2020	16,706	16,706		16,706		14,413		2,293	14,413
Drunk Driving Enforcement	1110-448-031020-22	2016	28,629		4,000	-	-	-	-	4,000	24,629
Total Drunk Driving Enforcement Cluster					4,000	16,706	-	14,413	-	6,293	39,042
Body Worn Camera Grant	066-1020-495	2021	244,560			244,560				244,560	-
Body Armor Replacement	066-1020-718-001-11	2020	10,567	10,567		10,567				10,567	-
Body Armor Replacement	066-1020-718-001-11	2020	14,601		14,601			14,501		100	14,501
Body Armor Replacement	066-1020-718-001-11	2018	40,887		4,567					4,567	36,320
Body Armor Replacement	066-1020-718-001-11	2016	13,091		16			16		-	13,091
Body Armor Replacement	066-1020-718-001-11	2015	13,213		106			106		-	13,213
Body Armor Replacement	066-1020-718-001-11	2013	17,282		2,546			2,546		-	17,282
Body Armor Replacement	066-1020-718-001-11	2012	13,022		282			282		-	13,022
Total Body Armor Replacement Cluster					22,118	255,127	-	17,451	-	259,794	107,429

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>State Grant Program</u>	<u>Account Numbers</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Grant Receipts</u>	<u>Balance, December 31, 2020</u>	<u>Revenue Realized</u>	<u>Local Match</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Balance, December 31, 2021</u>	<u>Cumulative Expended</u>
Department of Law and Public Safety											
Safe and Secure	066-1020-100-232-16	2021	\$ 48,600			\$ 48,600				\$ 48,600	-
Safe and Secure	066-1020-100-232-16	2020		\$ 65,625	\$ 90,000			\$ 90,000		-	\$ 90,000
Safe and Secure	066-1020-100-232-16	2019	90,000	24,375	10,399					10,399	\$ 79,601
Safe and Secure	066-1020-100-232-16	2018	90,000		90,000					90,000	-
Safe and Secure	066-1020-100-232-16	2017	90,000		90,000					90,000	-
Safe and Secure	066-1020-100-232-14	2014	90,000		48,750					48,750	41,250
<b>Total Safe and Secure Cluster</b>					<b>329,149</b>	<b>48,600</b>	<b>-</b>	<b>90,000</b>	<b>-</b>	<b>287,749</b>	<b>210,851</b>
Juvenile Acct. Incen. BI Grant (Station House)	JAIBG-16-01-02	2021	45,000			45,000		11,633		33,367	11,633
Juvenile Acct. Incen. BI Grant (Station House)	JAIBG-16-01-02	2020	35,462	19,949	34,276	3,979		36,978		1,277	34,185
Juvenile Acct. Incen. BI Grant (Station House)	JAIBG-16-01-02	2020	8,209	1,076	8,209			453		7,756	453
Juvenile Acct. Incen. BI Grant (Station House)	JAIBG-16-01-02	2019	34,762	507	84					84	34,678
Juvenile Acct. Incen. BI Grant (Station House)	JAIBG-16-01-02	2019	11,359		3,094					3,094	8,265
Juvenile Acct. Incen. BI Grant (Station House)	JAIBG-16-01-02	2018	34,762		237					237	34,525
Juvenile Acct. Incen. BI Grant (Station House)	JAIBG-16-01-02	2017	19,762		870					870	18,892
Juvenile Acct. Incen. BI Grant (Station House)	JAIBG-16-01-02	2015	19,792		36					36	19,756
<b>Total Juvenile Acct. Incentive Block Cluster</b>					<b>46,806</b>	<b>48,979</b>	<b>-</b>	<b>49,064</b>	<b>-</b>	<b>46,721</b>	<b>162,387</b>
Department of Commerce and Economic Development											
Urban Enterprise Zone Assistance Fund (UEZ)	2830-763-250-XXX-50										
17 - Urban Enterprise Zone	UEZA	2017	139,902		78,038					78,038	61,864
17 - Taste of Market Street	UEZA	2017	5,000		915					915	4,085
15 - Administration - Commodities	UEZA	2015	16,925		2,926			145		2,781	14,144
15 - Dundee Canal Redevelopment	UEZA	2015	15,000		3,012					3,012	6,988
15 - Downtown Merchants - Youth Corps	UEZA	2015	32,000		12,554					12,554	19,446
14 - Administration - Commodities	UEZA	2014	123,615		9,987					9,987	113,616
<b>Total Urban Enterprise Zone Cluster</b>					<b>107,432</b>	<b>-</b>	<b>-</b>	<b>145</b>	<b>-</b>	<b>107,287</b>	<b>220,143</b>
Department of Transportation											
Municipal Aid Program - 2022	078-6320-480-XXX	2022	782,700			782,700				782,700	
Municipal Aid Program - 2021	078-6320-480-XXX	2021	754,435		754,435			43,000		711,435	43,000
Municipal Aid Program - 2020	078-6320-480-XXX	2020	883,174	442,904	835,334			320,066		515,268	367,906
Transp. Trust - Various Road Imp - 2019	078-6320-480-XXX	2019	895,426		327,905			63,153		264,752	630,674
Transp. Trust - Various Road Imp - 2018	078-6320-480-XXX	2018	805,600		328,991					328,991	476,609
Transp. Trust - Roadway Safety - 2018	078-6320-480-XXX	2018	600,000	130,324	575,537			409,036		166,501	433,499
Transp. Trust - Various Road Imp - 2017	078-6320-480-XXX	2017	385,456		111,208			33,176		78,032	307,424
Transp. Trust - Various St Imp - 2016	078-6320-480-XXX	2016	353,273		94,203					94,203	259,070
Transportation Trust - Market Streetscape Enhance	078-6320-480-XXX-XX	2014	750,000		750,000			14,124		735,876	-
<b>Total Transportation Cluster</b>					<b>3,777,613</b>	<b>782,700</b>	<b>-</b>	<b>882,555</b>	<b>-</b>	<b>3,677,758</b>	<b>2,518,182</b>

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>State Grant Program</u>	<u>Account Numbers</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Grant Receipts</u>	<u>Balance, December 31, 2020</u>	<u>Realized</u>	<u>Local Match</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Balance, December 31, 2021</u>	<u>Cumulative Expended</u>
Other State Departments											
Hepatitis B Inoculation	046-4230-100-241-18	2018	\$ 3,235		\$ 3,235					\$ 3,235	-
Hepatitis B Inoculation	046-4230-100-241-17	2017	8,369		2,029			\$ 668		1,361	\$ 7,008
Hepatitis B Inoculation	046-4230-100-241-15	2015	5,000		428	-	-	-	-	428	4,572
Total Hepatitis B Inoculation Cluster					5,692	-	-	668	-	5,024	11,580
Housing Opportunity Grant - Covid 19	N/A	2021	10,224			\$ 10,224				10,224	-
Housing Opportunity Grant	N/A	2021	150,000			150,000		12,192		137,808	12,192
Housing Opportunity Grant - Covid 19	N/A	2020	56,829	\$ 41,539	52,715			33,965		18,750	38,079
Housing Opportunity Grant	N/A	2020	150,000	43,115	132,904			79,588		53,316	96,684
Housing Opportunity Grant	N/A	2019	150,000	62,560	1,707					1,707	148,293
Housing Opportunity Grant	N/A	2018	125,000		40,582					40,582	84,418
Housing Opportunity Grant	N/A	2017	120,000		12,254					12,254	107,746
Housing Opportunity Grant - TY	N/A	2016	160,000		1,194					1,194	158,806
Housing Opportunity Grant	N/A	2016	69,610		9,247					9,247	60,363
Housing Opportunity Grant	N/A	2015	75,000		23,543	-	-	-	-	23,543	51,457
Total Housing Opportunity Cluster					274,146	160,224	-	125,745	-	308,625	758,038
Highlands Council Transfer Development	N/A	2014	40,000		32,193					32,193	7,807
High Drug Traffic Youth Empowerment	N/A	2016	2,160		2,160	-	-	-	-	2,160	-
Total High Drug Traffic Youth Empowerment Cluster					2,160	-	-	-	-	2,160	-
NJ Office of Emergency Management											
Hazard Mitigation Grant		2016	250,000		113					113	249,887
US Lacrosse National Diversity	N/A	2018	2,000		2,000					2,000	-
Recreation - Hudson River Foundation		2019	10,000		2,735					2,735	7,265
Recreation - Womens Sports		2019	5,000		3,784					3,784	1,216
NJ Department of Community Affairs											
Neighborhood Preservation Program	N/A	2021	125,000	112,500		125,000		29,288		95,712	29,288
Neighborhood Preservation Program - Covid Relief	2020-02242-0372	2020	190,200		9,657				\$ (9,657)	-	190,200
Neighborhood Preservation Program	N/A	2019	125,000	100,000	90,680	-	-	90,680	-	-	125,000
Total NJ Department of Community Affairs					100,337	125,000	-	119,968	(9,657)	95,712	344,488
Department of Environmental Protection											
Green Trust Grant -		2019	1,000,000		722,529			165,632		556,897	443,103
It Pays to Plug In - Electric Vehicle Charge		2020	12,000			12,000		12,000		-	12,000
Stewardship Award		2019	23,000		23,000			16,830		6,170	16,830
Stewardship Award - Tree Mgmt		2018	7,000		4,900			4,900		-	7,000
Green Trust Grant - 3rd Ward & Vet Mem Park	4800-533-852000-60	2017	1,000,000		85,642			15,180		70,462	929,538
Green Trust Grant - MacDonald's Brook	4800-533-852000-60	2016	1,100,000		1,034					1,034	1,098,966
Total Green Trust Cluster					837,105	12,000	-	214,542	-	634,563	2,507,437
					\$ 6,784,211	\$ 3,159,280	\$ -	\$ 2,328,029	\$ (9,657)	\$ 7,605,805	\$ 10,715,337

N/A - Not Available

Adjustments - Grant programs reclassified from state programs to federal programs

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE**

**CITY OF PASSAIC  
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 YEAR ENDED DECEMBER 31, 2021**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the City of Passaic. The City is defined in Note 1(A) to the City's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the City's financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the City's financial statements. Financial assistance revenues are reported in the City's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 19,483,072	\$ 3,159,280	\$ 22,642,352
Community Development Grant Fund	2,521,418		2,521,418
Home Loan Program Fund	<u>4,025,191</u>	<u>-</u>	<u>4,025,191</u>
	<u>\$ 26,029,681</u>	<u>\$ 3,159,280</u>	<u>\$ 29,188,961</u>

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the City's fiscal year and grant program year.

**CITY OF PASSAIC  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2021**

**NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING**

The City’s federal and state loans outstanding at December 31, 2021, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

<u>Loan Program</u>	<u>State</u>
N.J. Dept. of Environmental Protection	
Green Acres Loans	
Dundee Island	\$ 85,501
Third Ward Park Improvements	41,817
Hughes Lake Rehabilitation	10,506
Pulaski Park Renovation	7,923
Roberto Clemente Field Improvements	211,796
Pulaski Park Improvements	<u>423,397</u>
	<u>\$ 780,940</u>

**NOTE 6 DE MINIMIS INDIRECT COST RATE**

The City has/has not elected to use the 10 percent de minimis indirect cost rate allowed under the U.S. Uniform Guidance.

**NOTE 7 RECLASSIFICATIONS**

Certain grant programs have been reclassified at December 31, 2020 from state (Schedule B) to federal programs (Schedule A) for the following:

<u>Federal/State Grant Program</u>	<u>Account Number</u>	<u>Balance, December 31, 2020</u>
Department of Community Affairs Neighborhood Preservation Program – 2020	2020-02242-0372	\$(9,657)



**CITY OF PASSAIC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2021**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

- J) Dollar threshold used to determine Type A programs: \$ 750,000
- K) Auditee qualified as low-risk auditee? X yes      no
- L) Type of auditors' report on compliance for major programs: Unmodified
- M) Internal Control over compliance:
- 1) Material weakness(es) identified?      yes   X   no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses?      yes   X   none reported
- N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended?      yes   X   no
- O) Identification of major programs:

GMIS Number(s)	Name of State Program
078-6320-480-xxx	Department of Transportation

**CITY OF PASSAIC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

*Part 2 – Schedule of Financial Statement Findings*

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

There are none.

**CITY OF PASSAIC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**CURRENT YEAR STATE AWARDS**

There are none.

**CITY OF PASSAIC  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

This section identifies the status of prior-year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Paragraph 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.

**CITY OF PASSAIC**

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**PART III**

**SUPPORTING DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2021**

**CITY OF PASSAIC  
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -  
CURRENT FUND**

	<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 4,340,000	2.56 %	\$ 6,000,000	3.86 %
Miscellaneous - From Other Than Local				
Property Tax Levies	47,006,907	27.69	34,719,013	22.32
Collection of Delinquent Taxes and Tax Title Liens	674,332	0.40	216,205	0.14
Collection of Current Tax Levy	109,511,585	64.51	108,299,164	69.61
Other Credits to Income	<u>8,220,933</u>	<u>4.84</u>	<u>6,347,564</u>	<u>4.07</u>
Total Income	<u>169,753,757</u>	<u>100.00 %</u>	<u>155,581,946</u>	<u>100.00 %</u>
<b>EXPENDITURES</b>				
Budget Expenditures				
Municipal Purposes	115,160,687	72.02 %	106,298,108	70.20 %
County Taxes	27,386,675	17.12	26,965,457	17.81
Local School Taxes	16,818,577	10.52	16,818,577	11.11
Other Expenditures	<u>558,270</u>	<u>0.34</u>	<u>1,347,364</u>	<u>0.88</u>
Total Expenditures	<u>159,924,209</u>	<u>100.00 %</u>	<u>151,429,506</u>	<u>100.00 %</u>
Excess in Revenue	9,829,548		4,152,440	
Fund Balance, Beginning of Year	<u>11,008,907</u>		<u>12,856,467</u>	
	20,838,455		17,008,907	
Decreased by:				
Utilization as Anticipated Revenue	<u>4,340,000</u>		<u>6,000,000</u>	
Fund Balance, End of Year	<u>\$ 16,498,455</u>		<u>\$ 11,008,907</u>	

**CITY OF PASSAIC  
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -  
SEWER UTILITY OPERATING FUND**

	<u>2021</u>			<u>2020</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Anticipated		-	%	\$ 290,390	4.68 %
Collection of Sewer Rents	\$ 5,228,723	99.42		5,381,154	86.76
Non-Budget Revenues	30,535	0.58		11,310	0.18
Other Credits to Income	<u>-</u>	<u>-</u>		<u>519,562</u>	<u>8.38</u>
 Total Income	 <u>5,259,258</u>	 <u>100.00</u>	 %	 <u>6,202,416</u>	 <u>100.00</u> %
EXPENDITURES					
Budget Expenditures					
Operating	6,295,000	97.49	%	6,180,750	97.55 %
Debt Service	<u>161,944</u>	<u>2.51</u>		<u>155,383</u>	<u>2.45</u>
 Total Expenditures	 <u>6,456,944</u>	 <u>100.00</u>	 %	 <u>6,336,133</u>	 <u>100.00</u> %
Excess/(Deficit) in Revenues	(1,197,686)			(133,717)	
Adjustments to Income Before Fund Balance					
Realized from General Budget for Anticipated Deficit	<u>851,000</u>			<u>184,000</u>	
Operating Deficit to be Raised in Budget of Succeeding Year	<u>346,686</u>				
Statutory Excess to Fund Balance				50,283	
Fund Balance, Beginning of Year	<u>87,949</u>			<u>328,056</u>	
	87,949			378,339	
Decreased by:					
Utilization as Anticipated Revenue	<u>-</u>			<u>290,390</u>	
Fund Balance, End of Year	<u>\$ 87,949</u>			<u>\$ 87,949</u>	

**CITY OF PASSAIC  
COMPARATIVE SCHEDULE OF TAX RATE INFORMATION – CALENDAR YEAR**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	<u>\$3.760</u>	<u>\$3.731</u>	<u>\$3.677</u>

Apportionment of Tax Rate

Municipal	\$2.258	\$2.250	\$2.204
County	.930	.912	.904
Local School	.572	.569	.569

Assessed Valuation

2021	<u>\$2,944,212,798</u>		
2020		<u>\$2,956,331,066</u>	
2019			<u>\$2,959,786,200</u>

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year Ended</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
December 31, 2021	\$ 110,857,004	\$ 110,511,585	99.69%
December 31, 2020	110,422,305	109,399,164	99.07%
December 31, 2019	109,172,489	108,393,586	99.29%

**DELINQUENT TAXES AND TAX TITLE LIENS**

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$ 292,744	\$ 45,045	\$ 337,789	0.30%
2020	289,602	688,761	978,363	0.89%
2019	255,736	420,215	675,951	0.62%

**CITY OF PASSAIC  
PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

**COMPARISON OF SEWER UTILITY LEVIES**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(A)</u>	<u>Percentage of Collection</u>
2021	\$ 5,529,275	\$ 5,228,723	94.56%
2020	5,333,276	5,187,465	97.27%
2019	5,328,328	5,499,866	103.22%

(A) Includes collection of prior year receivable balance.

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>Year</u>	<u>Balance, June 30</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2021	\$16,498,455	\$4,540,000
	2020	11,008,907	4,340,000
	2019	12,856,467	6,000,000
Sewer Utility	2021	\$87,949	-
	2020	\$87,949	-
	2019	328,056	\$290,390

**CITY OF PASSAIC  
OFFICIALS IN OFFICE AND SURETY BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Hector C. Lora	Mayor	
Gary S. Schaer	Council President	
Jose R. Garcia	Councilman	
Terrence L. Love	Councilman	
Thania Melo	Councilman	
Chaim M. Munk	Councilman	
Salim Patel	Councilman	
Daniel J. Schwartz	Councilman	
Ricardo Fernandez	Business Administrator	
Omar J. Garcia	Director of Finance	(A)
Barbara Williams	Tax Assessor	
Amada Curling	City Clerk/Registrar of Vital Statistics	
Doris Dudek	Purchasing Agent	
Zenab Bachok	Tax Collector	(A)
Ronald Van Rensalier	Director of Community Development	
Florio & Kenny LLP	City Attorney	
Kenneth Pincus	Health Officer	
Luis Guzman	Police Chief	
Patrick Trentacost	Fire Chief	
Jeremias E. Batista	Municipal Judge	(A)
Ronda Casson Cotroneo	Municipal Judge	(A)
Johnathon H. Rosenbluth	Municipal Judge	

(A) All statutory personnel are covered by a \$1,000,000 policy of Fidelity and Deposit Company.

All other City employees are also covered by a \$1,000,000 policy of Fidelity and Deposit Company.

**CITY OF PASSAIC  
GENERAL COMMENTS**

**Prior Year Findings Unresolved**

Grant receivable and grant appropriation reserve reports were not in agreement with audit balances. It is recommended that grant receivable and appropriated reserve reports be reviewed and adjusted to agree with audit balances.

Our audit of the Grant Fund revealed numerous grant receivable balances due to the City at year end. It is recommended that continued efforts be made to collect grant receivable balances due to the City.

**Current Year Findings**

Our audit revealed an unrecorded contract balance at year end. It is recommended that contract balances be recorded and encumbered when contracts are awarded.

Our audit of the Municipal Court revealed the following:

- Collections in the fine and bail accounts were not deposited in a timely manner.
- 2,796 tickets assigned but not issued which were outstanding over six months were not recalled.

It is recommended that with respect to the Municipal Court:

- Collections for the fine and bail accounts be deposited within forty-eight hours of receipt.
- Outstanding tickets over six months be recalled and reassigned.

**Contracts and Agreements Required to be Advertised for NJS 40A:11-4**

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement."

The bid threshold in accordance with N.J.S.A. 40A:11-3 was \$17,500. The City has adopted a resolution increasing the threshold to \$44,000 and has appointed the City Purchasing Agent as qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

The Governing Body of the City has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the City Council's opinion should be sought before a commitment is made.

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

Network Infrastructure – City Hall	Latona Griffin Park – 100 Steps Reconstruction
Improvements to Third Ward Park Spray Pad	Recreation Sports Equipment/Uniforms
Madison and Sixth Street Reconstruction	Renovations Public Works Garage and Offices
2020 Roadway Improvements	Recycling – Various Services
Preventative Maintenance Fire Apparatus	2021 Roadway Improvements
First Street/Jefferson Street Parking Lot Improvements	Concession Management Services
Design and Construction – Speer Village Sinkhole	Bulk Rock Salt

## CITY OF PASSAIC

### GENERAL COMMENTS

#### **Contracts and Agreements Required to be Advertised for NJS 40A:11-4 (Continued)**

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

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

Our examination of expenditures did not reveal any payments, contracts or agreements in excess of \$44,000 "for the performance of any work or the furnishing or hiring of any materials or supplies," for which bids had not been previously sought by public advertisement or where a resolution had not been previously adopted under the provisions of N.J.S.A. 40A:11-6.

#### **Collection of Interest of Delinquent Taxes and Assessments**

R.S. 54:4-67 provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on March 6, 1984 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED, by the Mayor and Municipal Council of the City of Passaic, that, pursuant to the power and authority vested in the said body by N.J.S.A. 54:4-67, the rate of interest to be charged by the City of Passaic for the nonpayment of taxes or assessments on or before the date when they would become delinquent be and the same is hereby fixed at 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500; provided, however, that no interest shall be charged if payment of any installment of such taxes or assessments is made within the tenth calendar day following the date upon which the same became payable.

BE IT FURTHER RESOLVED that said interest rate shall be and become effective upon the adoption of this resolution.

BE IT FURTHER RESOLVED that the Collector of Taxes of the City of Passaic and all other officers and employees of the City of Passaic concerned with the collection of taxes be and they are hereby ordered and directed to take all actions as may be necessary to affect this resolution.

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

#### **Delinquent Taxes and Tax Title Liens**

The last tax sale was held December 14, 2021.

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

**CITY OF PASSAIC  
RECOMMENDATIONS**

It is recommended that:

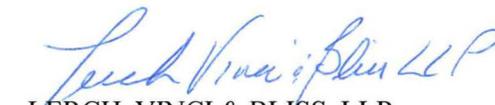
- \* 1. Grant receivable and appropriated reserve reports be reviewed and adjusted to agree with the audit balances.
- \* 2. Continued efforts be made to collect grant receivable balances due to the City.
- 3. Contract balances be recorded and encumbered when contracts are awarded.
- 4. With respect to the Municipal Court:
  - Collections for the fine and bail accounts be deposited within forty-eight hours of receipt.
  - Outstanding tickets over six months be recalled and reassigned.

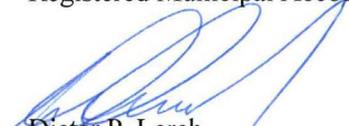
\* \* \* \* \*

A review was performed on all prior years' recommendations and corrective action was taken on all, except those recommendations denoted with an asterisk (\*).

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

  
LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Registered Municipal Accountants

  
Dieter P. Lerch  
Certified Public Accountant  
RMA Number CR00398