

CITY OF PASSAIC
PASSAIC COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2022

CITY OF PASSAIC

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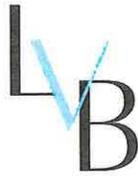
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CITY OF PASSAIC
PASSAIC COUNTY, NEW JERSEY

PART I
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2022



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, 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, 2022 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, 2022 and 2021, 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 June 29, 2023 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
June 29, 2023

CITY OF PASSAIC
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2022 AND 2021

ASSETS	<u>Reference</u>	December 31, <u>2022</u>	December 31, <u>2021</u>
REGULAR FUND			
Cash	A-4	\$ 62,661,905	\$ 49,743,017
Cash - Change Fund	A-7	2,800	2,800
Due From State of New Jersey - Senior Citizens and Veterans	A-9	<u>47,734</u>	<u>50,234</u>
		<u>62,712,439</u>	<u>49,796,051</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Tax Receivable	A-12	14,343	45,045
Tax Title Liens Receivable	A-13	248,895	292,744
Property Acquired for Taxes	A-14	57,699	57,699
Revenue Accounts Receivable	A-15	82,968	68,448
Due from Animal Control Fund	B-4		8,223
Due from Community Development Grant Fund	B-16	881,418	341,588
Due from Home Investment Program Fund	B-20	526,405	400,513
Due from Sewer Utility Operating Fund	D-11	2,158,053	2,068,839
Due from Passaic Redevelopment Authority	A-11	<u>248,782</u>	<u>213,519</u>
		<u>4,218,563</u>	<u>3,496,618</u>
Deferred Charges			
Special Emergency Authorization	A-16	<u>643,200</u>	<u>804,000</u>
		<u>643,200</u>	<u>804,000</u>
Total Regular Fund		<u>67,574,202</u>	<u>54,096,669</u>
GRANT FUND			
Cash	A-5	10,133,562	7,337,203
Grants Receivable	A-31	20,405,381	17,243,496
Due from Current Fund	A-8	9,645,237	2,584,108
Due from Community Development Block Grant Fund	B-17	<u>94,505</u>	<u>94,505</u>
Total Grant Fund		<u>40,278,685</u>	<u>27,259,312</u>
Grand Total		<u>\$ 107,852,887</u>	<u>\$ 81,355,981</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, 2022 AND 2021

	<u>Reference</u>	December 31, <u>2022</u>	December 31, <u>2021</u>
LIABILITIES, RESERVES AND FUND BALANCE			
REGULAR FUND			
Liabilities and Reserves			
Appropriation Reserves	A-3,A-19	\$ 10,143,607	\$ 10,328,550
Encumbrances Payable	A-22	2,986,548	2,799,559
Accounts Payable	A-23	368,511	603,180
Tax Overpayments	A-17	42,770	48,636
Prepaid Taxes	A-18	907,722	1,138,034
County Taxes Payable	A-21	86,260	
Fees Payable	A-26	241,238	254,657
Due to Grant Fund	A-8	9,645,237	2,584,108
Due to Animal Control Fund	B-4	4,022	
Due to Other Trust Fund	B-7	8,884,175	5,858,646
Due to General Capital Fund	C-4	879,637	466,528
Due to Passaic Parking Authority	A-10	54,318	20,549
Reserve for Tax Appeals	A-24	3,787,175	4,098,659
Reserve for Pension Contributions	A-27	308,338	608,338
Reserve for Revaluation Program	A-28	163,082	163,082
Reserve for Deferred State Aid	A-29	3,724,778	4,724,778
Reserve for State and Municipal Aid	A-30	654,421	
Miscellaneous Reserves	A-25	<u>458,232</u>	<u>404,292</u>
		43,340,071	34,101,596
Reserve for Receivables and Other Assets	A	4,218,563	3,496,618
Fund Balance	A-1	<u>20,015,568</u>	<u>16,498,455</u>
Total Regular Fund		<u>67,574,202</u>	<u>54,096,669</u>
GRANT FUND			
Encumbrances Payable	A-32	3,276,550	2,144,590
Due to Other Trust Fund	B-8	1,472,931	1,000,657
Due to Home Investment Program Fund	B-18	167,036	167,036
Due to Parking Authority	A	100	
Appropriated Grant Reserves	A-32	32,205,650	22,283,040
Unappropriated Grant Reserves	A-33	1,312,073	569,644
Reserve for Grant Reimbursement	A-34	1,455,539	705,539
Reserve for Program Income	A-35	<u>388,806</u>	<u>388,806</u>
Total Grant Fund		<u>40,278,685</u>	<u>27,259,312</u>
Grand Total		<u>\$ 107,852,887</u>	<u>\$ 81,355,981</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, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
REVENUES AND OTHER INCOME REALIZED:			
Fund Balance Utilized	A-2	\$ 4,540,000	\$ 4,340,000
Miscellaneous Revenue Anticipated	A-2	46,575,191	46,073,613
Receipts from Delinquent Taxes	A-2	145,043	674,332
Receipts from Current Taxes	A-2	114,543,288	109,511,585
Non-Budget Revenues	A-2	1,109,489	933,294
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-19	6,075,423	6,916,532
Unexpended Balance of Sewer Appropriation Reserves	D-11	58,271	21,854
Interfunds Receivables Liquidated - Net	A		552,648
Cancelled Fees Payable	A-26	13,169	
Cancelled Accounts Payable	A-23	<u>149,536</u>	<u>729,899</u>
 Total Income		 <u>173,209,410</u>	 <u>169,753,757</u>
EXPENDITURES			
Budget Appropriations:			
Operations			
Salaries and Wages	A-3	42,119,550	46,015,615
Other Expenses	A-3	59,661,723	52,964,918
Deferred Charges and Statutory Expenditures	A-3	13,561,971	13,368,302
Capital Improvements	A-3	1,703,000	1,050,000
Municipal Debt Service	A-3	2,109,058	1,761,852
County Taxes	A-21	27,637,014	27,386,675
Local District School Taxes	A-20	16,818,577	16,818,577
Prior Year Senior Citizen/Veteran Deductions Disallowed	A-9	9,428	13,666
Pilot Fees Due County	A		44,104
Disallowed Grant Costs - Reserve	A-34	750,000	500,000
Refund of Prior Year Revenue	A		500
Interfunds and Other Receivables Created	A	<u>781,976</u>	<u>-</u>
 Total Expenditures		 <u>165,152,297</u>	 <u>159,924,209</u>
 Excess in Revenues		 8,057,113	 9,829,548
 Fund Balance, Beginning of Year	A	 <u>16,498,455</u>	 <u>11,008,907</u>
		24,555,568	20,838,455
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>4,540,000</u>	<u>4,340,000</u>
 Fund Balance, End of Year	A	 <u>\$ 20,015,568</u>	 <u>\$ 16,498,455</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, 2022

	Reference	Anticipated		Realized	Excess (Deficit)
		Budget	Added by 40A:4-87		
Fund Balance Utilized	A-1	\$ 4,540,000	-	\$ 4,540,000	-
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-15	141,000		143,816	\$ 2,816
Other	A-15	35,000		40,205	5,205
Fees and Permits:					
Uniform Construction Code - Fees	A-15	1,325,000		1,100,461	(224,539)
Other	A-15	55,000		62,884	7,884
Fines and Costs:					
Municipal Court	A-15	922,000		1,166,166	244,166
Energy Receipts Tax	A-15	11,074,761		11,074,761	-
Consolidated Municipal Property Tax Relief Aid	A-15	1,470,721		1,470,721	-
Interest and Costs on Taxes	A-15	250,000		309,710	59,710
Interest on Investments & Deposit	A-15	74,000		188,972	114,972
Downtown Merchant's Association	A-15	100,000		113,019	13,019
Police Record Bureau	A-15	10,000		17,372	7,372
Board of Education - Security Watch and Resource Officers	A-15	3,400,000		3,400,000	-
Interlocal Agreement - Passaic Parking Authority	A-10	653,000		720,435	67,435
Public and Private Revenues Offset					
With Appropriations:					
American Rescue Plan - Federal	A-31		\$ 9,565,804	9,565,804	
Distracted Driving Crackdown 2022	A-31		12,250	12,250	
Strengthening Health Capacity Grant FY 2023	A-31		274,735	274,735	
PCCHC Local Arts Program Re-Grant	A-31		5,875	5,875	
Regional Stationhouse Adj 2022	A-31		45,000	45,000	
Body Armor Grant 2021	A-31		6,092	6,092	
Click It or Ticket 2022 Seat Belt Mobilization	A-31		10,500	10,500	
Summer Food Program 2022	A-31		121,342	121,342	
Alcohol Education and Rehab 2022	A-31		13,424	13,424	
Clean Communities 2022	A-31		81,831	81,831	
Clean Communities 2021	A-33		79,303	79,303	
Recycling Tonnage Grant 2022 (FY2019)	A-31		100,892	100,892	
Stationhouse Adjustment - Passaic 2022	A-31		39,801	39,801	
ARP Firefighter Grant	A-31		31,000	31,000	
Byrne Memorial JAG 2021	A-31		203,161	203,161	
Childhood Lead - 2023	A-31		562,500	562,500	
Vaccination Supplement FY2022 Year 2	A-31		50,000	50,000	
Drive Sober or Get Pulled Over - 2022 YE Crackdown	A-31		12,250	12,250	
NJDOT Local Freight Impact Fund	A-31		950,000	950,000	
Ryan White FY 2022	A-31		143,279	143,279	
Ryan White FY2019	A-33		118,803	118,803	
Safe and Secure FY2022	A-31		48,600	48,600	
Municipal Alliance FY2023	A-31		17,312	17,312	
Alcohol Education and Rehab 2020	A-33		6,835	6,835	
Title Green Acres Program	A-31		1,200,000	1,200,000	
Senior Transportation County Reimb - 2014	A-33		120,804	120,804	
Senior Transportation County Reimb - 2017	A-33		60,402	60,402	
Senior Transportation County Reimb - 2018	A-33		60,402	60,402	
Senior Transportation County Reimb - 2019	A-33		60,402	60,402	
Senior Transportation County Reimb - 2020	A-33		60,402	60,402	
Radon Awareness Program	A-31		2,000	2,000	
Pedestrian Safety Grant	A-31		35,000	35,000	
ROID FY22	A-31		9,500	9,500	
WIC FY23	A-31		1,121,619	1,121,619	
NJDOT Local Transportation Projects Fund	A-31		2,000,000	2,000,000	

CITY OF PASSAIC
STATEMENT OF REVENUES - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Reference	Budget	Added by 40A:4-87	Realized	Excess (Deficit)
Special Items:					
American Rescue Plan - Federal Funding	A-15	\$ 6,000,000		\$ 6,000,000	
Cable Franchise Fee	A-15	328,008		328,008	
Saint Mary's Reise Corp. - In Lieu of Taxes	A-15	175,000		182,059	\$ 7,059
Chestnut Housing Phase I - In Lieu of Taxes	A-15	79,000		98,500	19,500
Jack Parker Association - In Lieu of Taxes	A-15	325,000		344,250	19,250
YMCA - In Lieu of Taxes	A-15	30,000		15,000	(15,000)
Highview Terrace - In Lieu of Taxes	A-15	85,000		87,675	2,675
585 Main Ave - In Lieu of Taxes	A-15	45,000		70,345	25,345
663 Main Ave - In Lieu of Taxes	A-15	56,000		58,784	2,784
Concord Estate- In Lieu of Taxes	A-15	64,500		68,402	3,902
Passaic Public Library - Health Benefit Contribution	A-15	160,000		170,016	10,016
Housing Authority Police Program	A-15	153,000		186,664	33,664
County of Passaic - Street Lighting	A-15	60,000		60,000	-
Payment in Lieu of Taxes - Housing Authority	A-15	186,000		199,692	13,692
Payment in Lieu of Taxes - Garden Howe	A-15	43,000		45,503	2,503
POD- Vehicle Fee	A-15	150,000		150,000	-
Reserve for Deferred State Aid	A-29	1,000,000		1,000,000	-
Reserve for Payment of Debt	C-4	170,651		170,651	-
Reserve for Pension	A-27	300,000	-	300,000	-
		<u>28,920,641</u>	<u>17,231,120</u>	<u>46,575,191</u>	<u>423,430</u>
Receipts from Delinquent Taxes	A-2	<u>115,100</u>	<u>-</u>	<u>145,043</u>	<u>29,943</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		68,418,350		70,156,664	1,738,314
Minimum Library Tax		<u>1,431,033</u>	<u>-</u>	<u>1,431,033</u>	<u>-</u>
Total Amount to be Raised by Taxes for Sup. of Mun. Budget	A-2	<u>69,849,383</u>	<u>-</u>	<u>71,587,697</u>	<u>1,738,314</u>
Total Budget Revenues	A-3	<u>\$ 103,425,124</u>	<u>\$ 17,231,120</u>	122,847,931	<u>\$ 2,191,687</u>
Non-Budget Revenues	A-2			<u>1,109,489</u>	
				<u>\$ 123,957,420</u>	

CITY OF PASSAIC
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenues Realized	A-1	\$ 114,543,288
Less: Allocated to School and County Taxes	A-20,A-21	<u>44,455,591</u>
Balance for Support of Municipal Budget Appropriations		70,087,697
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,500,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 71,587,697</u>
Receipts from Delinquent Taxes		
Delinquent Tax Collections	A-12	\$ 43,078
Tax Title Liens	A-13	<u>101,965</u>
	A-1,A-2	<u>\$ 145,043</u>

Analysis of Non Budget Revenue

Recreation Fees		\$ 72,683
Recycling		239,389
Motor Vehicle Inspection Fines		950
Board of Health/Vital Statistics Fees		138,272
City Clerk Fees		28,459
Planning/Engineering Fees		48,466
Passaic Valley Water Commission - Hydrant Inspection		67,650
Administration Fees - Police Outside Duty		152,388
Administration Fees - Senior Citizen and Veterans/Homestead Rebate		1,091
State PBA Payment		45,000
Senior Transportation - County		60,402
Sale of Municipal Assets		10,369
Easements		35,000
Fire Alarms		5,696
Special Assessment Receivable Realized		97,583
Other Miscellaneous Receipts		<u>106,091</u>
		<u>\$ 1,109,489</u>
Cash Receipts	A-4	\$ 994,569
Due from Other Trust Fund	B-7	<u>114,920</u>
	A-2	<u>\$ 1,109,489</u>

CITY OF PASSAIC
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	<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"					
GENERAL GOVERNMENT					
General Administration					
Office of Business Administration					
Salaries & Wages	\$ 1,074,700	\$ 1,074,700	\$ 905,802	\$ 168,898	
Other Expenses	357,850	357,850	285,859	71,991	
Human Resources					
Office of Personnel					
Salaries & Wages	232,000	232,000	158,254	73,746	
Other Expenses	17,200	17,200	12,396	4,804	
Mayor and Council					
Office of the Mayor and Council					
Salaries & Wages	344,700	344,700	321,251	23,449	
Other Expenses	197,250	197,250	148,538	48,712	
City Clerk					
Salaries & Wages	508,000	508,000	507,123	877	
Other Expenses	199,500	199,500	134,959	64,541	
Financial Administration - Treasurer's Office					
Salaries and Wages	473,500	473,500	453,199	20,301	
Other Expenses	169,500	169,500	84,127	85,373	
Annual Audit					
Other Expenses	83,000	83,000	81,000	2,000	
Revenue Administration - Tax Collector					
Salaries and Wages	276,500	276,500	249,532	26,968	
Other Expenses	46,500	46,500	37,071	9,429	
Tax Assessment Administration					
Salaries and Wages	301,600	301,600	278,407	23,193	
Other Expenses	126,925	126,925	108,043	18,882	
Legal Services					
Other Expenses	927,500	947,500	755,319	192,181	
Office of Engineer					
Salaries and Wages	250,500	250,500	209,159	41,341	
Other Expenses	157,400	237,400	190,815	46,585	
Economic Development Agencies					
Planning and Economic Development					
Salaries and Wages	96,400	96,400	89,927	6,473	
Other Expenses	20,000	20,000	1,622	18,378	
Division of Housing					
Salaries and Wages	312,600	312,600	296,758	15,842	
Other Expenses	7,100	7,100	4,556	2,544	
Redevelopment Agency	10,000	10,000	10,000	-	
LAND USE ADMINISTRATION					
Planning Board					
Other Expenses	27,200	27,200	10,043	17,157	
Board of Adjustment					
Other Expenses	19,800	19,800	7,105	12,695	
CODE ENFORCEMENT AND ADMINISTRATION					
Rent Leveling Board					
Other Expenses	15,200	15,200	-	15,200	
INSURANCE					
Liability Insurance	1,400,000	1,400,000	1,400,000	-	
Workmen's Compensation	1,860,000	1,860,000	1,860,000	-	
Employee Group Insurance	16,843,000	16,843,000	15,602,278	1,240,722	
Health Benefit Waiver	108,000	108,000	106,900	1,100	
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, 2022

	<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>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY FUNCTIONS					
Police Department					
Salaries and Wages	\$ 16,814,900	\$ 16,414,900	\$ 13,966,814	\$ 2,448,086	
Salaries and Wages - ARP Funds	3,000,000	3,000,000	3,000,000		
Other Expenses	652,000	652,000	639,114	12,886	
BOE Security Watch and Res. Off.-Salaries & Wages	3,556,400	3,556,400	3,371,512	184,888	
Office of Emergency Management					
Salaries & Wages	52,600	52,600	38,478	14,122	
Other Expenses	10,000	10,000	8,002	1,998	
Fire Department					
Salaries and Wages	10,058,250	10,058,250	9,512,200	546,050	
Salaries and Wages - ARP Funds	2,300,000	2,300,000	2,300,000		
Other Expenses	242,575	242,575	214,852	27,723	
Prosecutor's Office					
Other Expenses	165,000	165,000	86,650	78,350	
Municipal Court					
Salaries and Wages	965,000	965,000	709,942	255,058	
Other Expenses	141,820	141,820	124,089	17,731	
Public Defender (PL 1997 C.256)					
Other Expenses	120,000	120,000	67,050	52,950	
Passaic Parking Authority					
Salaries & Wages	312,000	312,000	174,924	137,076	
Other Expenses	298,000	298,000	13,944	284,056	
PUBLIC WORKS FUNCTIONS					
Streets and Road Maintenance					
Salaries & Wages	2,423,700	2,423,700	2,061,316	362,384	
Other Expenses	544,300	644,300	411,858	232,442	
Solid Waste Collection					
Other Expenses					
Garbage Removal Contractual	3,114,000	3,114,000	2,840,272	273,728	
Buildings and Grounds					
Salaries and Wages	652,400	652,400	557,987	94,413	
Other Expenses	391,500	391,500	331,902	59,598	
Vehicle Maintenance					
Salaries & Wages	522,800	522,800	449,003	73,797	
Other Expenses	480,000	530,000	428,410	101,590	
HEALTH AND HUMAN SERVICES					
Public Health Services					
Division of Health					
Salaries and Wages	836,350	836,350	730,193	106,157	
Other Expenses	262,700	262,700	174,736	87,964	
Animal Regulation					
Salaries and Wages	223,000	223,000	152,762	70,238	
Other Expenses	33,500	33,500	31,467	2,033	

CITY OF PASSAIC
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	<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	\$ 752,600	\$ 752,600	\$ 454,994	\$ 297,606	
Other Expenses	189,700	189,700	178,839	10,861	
Senior Citizens					
Salaries and Wages	256,500	256,500	186,711	69,789	
Other Expenses	12,000	12,000	5,443	6,557	
Handicapped Recreation					
Salaries & Wages	236,500	236,500	150,774	85,726	
Other Expenses	21,200	21,200	14,580	6,620	
Maintenance of Parks					
Salaries & Wages	410,000	410,000	356,180	53,820	
Other Expenses	176,700	176,700	127,492	49,208	
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	723,500	723,500	597,382	126,118	
Other Expenses	151,200	151,200	63,179	88,021	
UNCLASSIFIED:					
Utilities:					
Electricity	620,000	620,000	556,191	63,809	
Street Lighting	785,000	785,000	609,518	175,482	
Telephone and Telegraph	258,000	258,000	185,579	72,421	
Gasoline	420,000	570,000	457,981	112,019	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Tipping Fees	2,610,000	2,610,000	2,517,362	92,638	-
Total Operations Within "CAPS"	82,959,120	82,959,120	73,869,725	9,089,395	-
Detail:					
Salaries & Wages	42,667,000	42,119,550	36,940,584	5,351,679	-
Other Expenses	40,292,120	40,839,570	36,929,141	3,737,716	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
DEFERRED CHARGES					
Anticipated Deficit in Sewer Utility Operations	517,337	517,337	517,337		
STATUTORY CHARGES					
Public Employees Retirement System	1,827,794	1,827,794	1,827,794	-	
Social Security System (O.A.S.I.)	1,700,000	1,700,000	1,494,753	205,247	
Police and Fireman's Retirement System	9,286,040	9,286,040	9,286,040	-	
Deferred Compensation Retirement Plan	70,000	70,000	40,080	29,920	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	13,401,171	13,401,171	13,166,004	235,167	-

CITY OF PASSAIC
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	<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"	\$ 96,360,291	\$ 96,360,291	\$ 87,035,729	\$ 9,324,562	\$ -
OPERATIONS - EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library	1,431,033	1,431,033	1,431,033	-	-
Recycling Tax	125,000	125,000	99,941	25,059	-
Total Other Operations - Excluded From "CAPS"	1,556,033	1,556,033	1,530,974	25,059	-
Public and Private Programs Offset by Revenues					
Matching Funds for Grants	35,000	35,000		35,000	
American Rescue Plan - Federal	-	9,565,804	9,565,804		
Distracted Driving Crackdown 2022	-	12,250	12,250		
Strengthening Health Capacity Grant FY 2023	-	274,735	274,735		
PCCHC Local Arts Program Re-Grant	-	5,875	5,875		
Regional Stationhouse Adj 2022	-	45,000	45,000		
Body Armor Grant 2021	-	6,092	6,092		
Click It or Ticket 2022 Seat Belt Mobilization	-	10,500	10,500		
Summer Food Program 2022	-	121,342	121,342		
Alcohol Education and Rehab 2022	-	13,424	13,424		
Clean Communities 2022	-	81,831	81,831		
Clean Communities 2021	-	79,303	79,303		
Recycling Tonnage Grant 2022 (FY2019)	-	100,892	100,892		
Stationhouse Adjustment - Passaic 2022	-	39,801	39,801		
ARP Firefighter Grant	-	31,000	31,000		
Byrne Memorial JAG 2021	-	203,161	203,161		
Childhood Lead - 2023	-	562,500	562,500		
Vaccination Supplement FY2022 Year 2	-	50,000	50,000		
Drive Sober or Get Pulled Over - 2022 YE Crackdown	-	12,250	12,250		
NJDOT Local Freight Impact Fund	-	950,000	950,000		
Ryan White FY 2022	-	143,279	143,279		
Ryan White FY2019	-	118,803	118,803		
Safe and Secure FY2022	-	48,600	48,600		
Municipal Alliance FY2023	-	17,312	17,312		
Alcohol Education and Rehab 2020	-	6,835	6,835		
Title Green Acres Program	-	1,200,000	1,200,000		
Senior Transportation County Reimb - 2014	-	120,804	120,804		
Senior Transportation County Reimb - 2017	-	60,402	60,402		
Senior Transportation County Reimb - 2018	-	60,402	60,402		
Senior Transportation County Reimb - 2019	-	60,402	60,402		
Senior Transportation County Reimb - 2020	-	60,402	60,402		
Radon Awareness Program	-	2,000	2,000		
Pedestrian Safety Grant	-	35,000	35,000		
ROID FY22	-	9,500	9,500		
WIC FY23	-	1,121,619	1,121,619		
NJDOT Local Transportation Projects Fund	-	2,000,000	2,000,000		
Total Public and Private Program Offset by Revenues	35,000	17,266,120	17,231,120	35,000	-
Total Operations - Excluded from "CAPS"	1,591,033	18,822,153	18,762,094	60,059	-
Detail: Other Expenses	1,591,033	18,822,153	18,762,094	60,059	-

CITY OF PASSAIC
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	<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		
Parks/Roads Improvement	453,000	453,000	8,970	\$ 444,030	
Acquisition of Fire Truck - ARP Funds	700,000	700,000	685,044	14,956	-
Acquisition of Street Sweeper	300,000	300,000	-	300,000	-
Total Capital Improvements - Excluded from "CAPS"	<u>1,703,000</u>	<u>1,703,000</u>	<u>944,014</u>	<u>758,986</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,501,000	1,501,000	1,501,000		
Interest on Bonds	483,000	483,000	482,797		\$ 203
Interest on Notes	-	-	-	-	
Payment of Loan Principal and Interest	126,000	126,000	125,261	-	739
Total Municipal Debt Service - Excluded from "CAPS"	<u>2,110,000</u>	<u>2,110,000</u>	<u>2,109,058</u>	<u>-</u>	<u>942</u>
DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"					
Special Emergency Authorization - 5 Years	160,800	160,800	160,800	-	-
Total Deferred Charges Municipal - Excluded from "CAPS"	<u>160,800</u>	<u>160,800</u>	<u>160,800</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>5,564,833</u>	<u>22,795,953</u>	<u>21,975,966</u>	<u>819,045</u>	<u>942</u>
Subtotal General Appropriations	101,925,124	119,156,244	109,011,695	10,143,607	942
Reserve for Uncollected Taxes	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 103,425,124</u>	<u>\$ 120,656,244</u>	<u>\$ 110,511,695</u>	<u>\$ 10,143,607</u>	<u>\$ 942</u>
	<u>Reference</u>	A-2	A-1	A,A-1	
Budget	A-3	\$ 103,425,124			
Appropriation by 40A:4-87	A-2	<u>17,231,120</u>			
		<u>\$ 120,656,244</u>			
Cash Disbursed	A-4		\$ 83,809,124		
Encumbrances Payable	A-22		2,986,548		
Due to Redevelopment Authority	A-11		10,000		
Due to Animal Control	A-16		10,318		
Due to Other Trust Fund	B-7		4,016,003		
Due to Grant Fund - Appropriated Grants	A-8		17,231,120		
Due to Grant Fund	A-8		20,445		
Due to General Capital Fund	C-4		250,000		
Due to Sewer Operating Fund	D-11		517,337		
Deferred Charges - Special Emergency Authorization	B-4		160,800		
Reserve for Uncollected Taxes	A-2		<u>1,500,000</u>		
			<u>\$ 110,511,695</u>		

CITY OF PASSAIC
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	December 31, <u>2022</u>	December 31, <u>2021</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-1	\$ 24,180	\$ 37,335
Due from Current Fund	B-4	<u>4,022</u>	<u>-</u>
		<u>28,202</u>	<u>37,335</u>
OTHER TRUST FUND			
Cash	B-1	17,398,566	16,507,026
Cash - Change Fund	B-6	200	200
Due from Current Fund	B-7	8,884,175	5,858,646
Due from Grant Fund	B-8	<u>1,472,931</u>	<u>1,000,657</u>
		<u>27,755,872</u>	<u>23,366,529</u>
COMMUNITY DEVELOPMENT BLOCK GRANT FUND			
Cash	B-1	1,019,654	325,034
Due from HUD	B-10	3,196,166	3,305,970
Other Receivables	B-13	<u>155,454</u>	<u>155,454</u>
		<u>4,371,274</u>	<u>3,786,458</u>
HOME INVESTMENT PROGRAM FUND			
Cash	B-1	410,673	265,019
Due from HUD	B-12	7,941,096	6,958,346
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>93,662</u>
		<u>9,067,704</u>	<u>7,939,300</u>
Total Assets		<u>\$ 41,223,052</u>	<u>\$ 35,129,622</u>

**CITY OF PASSAIC
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	December 31, <u>2022</u>	December 31, <u>2021</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL FUND			
Encumbrances Payable	B-5	\$ 9,855	\$ 5,189
Due State of New Jersey	B-2	212	1,295
Due to Current Fund	B-4		8,223
Reserve for Animal Control Expenditures	B-3	<u>18,135</u>	<u>22,628</u>
		<u>28,202</u>	<u>37,335</u>
OTHER TRUST FUND			
Miscellaneous Reserves and Deposits	B-9	<u>27,755,872</u>	<u>23,366,529</u>
		<u>27,755,872</u>	<u>23,366,529</u>
COMMUNITY DEVELOPMENT BLOCK GRANT FUND			
Due to Current Fund	B-16	881,418	341,588
Due to Grant Fund	B-17	94,505	94,505
Due to Home Fund	B-19	93,662	93,662
Reserve for Program Expenditures - UDAG	B-15	8,122	8,122
Reserve for Program Expenditures - CDBG	B-11	<u>3,293,567</u>	<u>3,248,581</u>
		<u>4,371,274</u>	<u>3,786,458</u>
HOME INVESTMENT PROGRAM FUND			
Due to Current Fund	B-20	526,405	400,513
Reserve for Mortgage Receivable	B-14	455,237	455,237
Reserve for Home Investment Program	B-21	<u>8,086,062</u>	<u>7,083,550</u>
		<u>9,067,704</u>	<u>7,939,300</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 41,223,052</u>	<u>\$ 35,129,622</u>

**CITY OF PASSAIC
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	December 31, <u>2022</u>	December 31, <u>2021</u>
ASSETS			
Cash	C-2,C-3	\$ 2,085,840	\$ 2,575,866
Due from Current Fund	C-4	879,637	466,528
Deferred Charges to Future Taxation			
Funded	C-5	17,491,695	19,102,940
Unfunded	C-6	<u>2,075</u>	<u>2,075</u>
 Total Assets		 <u>\$ 20,459,247</u>	 <u>\$ 22,147,409</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-10	\$ 16,821,000	\$ 18,322,000
Green Acres Loans Payable	C-11	670,695	780,940
Improvement Authorizations			
Funded	C-9	565,373	871,980
Encumbrances Payable	C-8	559,040	743,147
Capital Improvement Fund	C-7	964,806	714,806
Reserve for Road, Park and Sewer Improvements	C-12	462,619	128,171
Reserve for Sale of Property	C-13	100,000	100,000
Reserve for Payment of Debt	C-14		170,651
Fund Balance	C-1	<u>315,714</u>	<u>315,714</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 20,459,247</u>	 <u>\$ 22,147,409</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2022 and December 31, 2021 of \$2,075 and \$2,075, respectively, (See Exhibit C-15).

CITY OF PASSAIC
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Balance, December 31, 2021	C	\$ 315,714	\$ 87,968
Increased by:			
Premium on Sale of Notes	C	<u> -</u>	<u> 227,746</u>
Balance, December 31, 2022	C	<u>\$ 315,714</u>	<u>\$ 315,714</u>

CITY OF PASSAIC
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	December 31, 2022	December 31, 2021
ASSETS			
OPERATING FUND			
Cash	D-4	\$ 1,456,340	\$ 1,582,906
Due from Sewer Utility Capital Fund	D-12	<u>51</u>	<u>48</u>
		<u>1,456,391</u>	<u>1,582,954</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	1,447,299	1,268,226
Other Accounts Receivable	D-7	<u>9,325</u>	<u>8,294</u>
		<u>1,456,624</u>	<u>1,276,520</u>
Deferred Charges			
Special Emergency Authorization	D-8	390,400	488,000
Operating Deficit	D-8	<u>417,745</u>	<u>346,686</u>
		<u>808,145</u>	<u>834,686</u>
Total Operating Fund		<u>3,721,160</u>	<u>3,694,160</u>
CAPITAL FUND			
Cash	D-4,D-5	6,611	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>5,930,351</u>	<u>5,930,348</u>
		<u>\$ 9,651,511</u>	<u>\$ 9,624,508</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-3,D-15	\$ 11,851	\$ 81,847
Encumbrances Payable	D-13	1,001	171,623
Accrued Interest on Bonds	D-14	5,682	7,382
Due to Current Fund	D-11	<u>2,158,053</u>	<u>2,068,839</u>
		<u>2,176,587</u>	<u>2,329,691</u>
Reserve for Receivables	D	1,456,624	1,276,520
Fund Balance	D-1	<u>87,949</u>	<u>87,949</u>
Total Operating Fund		<u>3,721,160</u>	<u>3,694,160</u>
CAPITAL FUND			
Serial Bonds	D-19	696,000	816,000
Due to Sewer Utility Operating Fund	D-12	51	48
Improvement Authorizations			
Funded	D-16	35,766	35,766
Reserve for Amortization	D-17	5,147,974	5,027,974
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>5,930,351</u>	<u>5,930,348</u>
		<u>\$ 9,651,511</u>	<u>\$ 9,624,508</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2022 and December 31, 2021 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, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
REVENUES AND OTHER INCOME REALIZED			
Sewer Rents	D-2	\$ 6,183,918	\$ 5,228,723
Non-Budget Revenues	D-2	<u>11,866</u>	<u>30,535</u>
Total Income		<u>6,195,784</u>	<u>5,259,258</u>
EXPENDITURES			
Operating	D-3	6,540,000	6,295,000
Debt Service	D-3	146,580	161,944
Deferred Charges	D-3	<u>444,286</u>	<u>-</u>
Total Expenditures		<u>7,130,866</u>	<u>6,456,944</u>
Excess/(Deficit) in Revenues		(935,082)	(1,197,686)
Adjustment to Income Before Fund Balance			
Realized from General Budget for Anticipated Deficit	D-2	<u>517,337</u>	<u>851,000</u>
Operating Deficit to be Raised in Budget of Succeeding Year	D-8	<u>417,745</u>	<u>346,686</u>
Statutory Excess to Fund Balance		-	-
Fund Balance, Beginning of Year,	D	<u>87,949</u>	<u>87,949</u>
Decreased by:			
Utilized as Anticipated Revenue	D	<u>-</u>	<u>-</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, 2022

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Sewer Rents and Charges	D-1	\$ 6,615,949	\$ 6,183,918	\$ (432,031)
Deficit (General Budget)	D-1	<u>517,337</u>	<u>517,337</u>	<u>-</u>
 Total Budget Revenues	 D-3	 <u>\$ 7,133,286</u>	 6,701,255	 <u>\$ (432,031)</u>
 Non-Budget Revenues	 D-2		 <u>11,866</u>	
			 <u>\$ 6,713,121</u>	
Analysis of Revenue Realized:				
Sewer Rents and Charges:				
Consumer Accounts Receivable Collections	D-6		\$ 6,045,337	
Other Accounts Receivable Collections	D-7		<u>138,581</u>	
			 <u>\$ 6,183,918</u>	
 Non-Budget Revenue:				
Prior Year Reimbursements	D-4		\$ 11,863	
Interest Earned			<u>3</u>	
			 <u>\$ 11,866</u>	
 Due from Sewer Capital	D-12		\$ 3	
Cash Receipts	D-4		<u>11,863</u>	
			 <u>\$ 11,866</u>	

CITY OF PASSAIC
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<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>
OPERATING					
Other Expenses	\$ 225,000	\$ 90,000	\$ 78,949	\$ 11,051	
Sewer Treatment Expenses	5,670,000	5,670,000	5,669,927	73	
Sewer Maintenance Fee - Contractual	645,000	780,000	779,273	727	-
	<u>6,540,000</u>	<u>6,540,000</u>	<u>6,528,149</u>	<u>11,851</u>	<u>-</u>
Total Operating					
DEBT SERVICE					
Payment of Bond Principal	120,000	120,000	120,000		
Interest on Bonds	29,000	29,000	26,580	-	\$ 2,420
	<u>149,000</u>	<u>149,000</u>	<u>146,580</u>	<u>-</u>	<u>2,420</u>
Total Debt Service					
DEFERRED CHARGES					
Special Emergency Authorization - 5 Years	97,600	97,600	97,600		
Deficit in Operations in Prior Years	346,686	346,686	346,686	-	-
	<u>444,286</u>	<u>444,286</u>	<u>444,286</u>	<u>-</u>	<u>-</u>
Total Deferred Charges					
	<u>\$ 7,133,286</u>	<u>\$ 7,133,286</u>	<u>\$ 7,119,015</u>	<u>\$ 11,851</u>	<u>\$ 2,420</u>
	<u>Reference</u>	D-2	D-3	D-1	D,D-1
Disbursed		D-4		\$ 6,498,868	
Encumbrances Payable		D-13		1,001	
Due to Current Fund		D-11		148,280	
Accrued Interest on Bonds		D-14		26,580	
Deferred Charges					
Special Emergency Authorization				97,600	
Operating Deficit				<u>346,686</u>	
				<u>\$ 7,119,015</u>	

CITY OF PASSAIC
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
 GENERAL FIXED ASSETS ACCOUNT GROUP
 AS OF DECEMBER 31, 2022 AND 2021

	December 31, <u>2022</u>	December 31, <u>2021</u>
ASSETS		
Land	\$ 47,610,504	\$ 47,610,504
Buildings and Building Improvements	18,879,088	18,879,088
Machinery and Equipment	5,245,984	4,991,940
Vehicles	<u>4,540,173</u>	<u>4,141,265</u>
	<u>\$ 76,275,749</u>	<u>\$ 75,622,797</u>
LIABILITIES		
Investments in General Fixed Assets	<u>\$ 76,275,749</u>	<u>\$ 75,622,797</u>

NOTES TO FINANCIAL STATEMENTS

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2022 AND 2021

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. Special benefit assessments levied against properties for specific purposes are accounted for in the assessment trust section of the fund. 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.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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, 2021 balances to conform to the December 31, 2022 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.

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.

CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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 11th 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.

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 Funds. 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.

CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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.

**CITY OF PASSAIC
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is a non-spending budget appropriation account required to provide assurance that cash collected for property taxes levied in the current year will provide sufficient cash flow to meet expected budgetary obligations. The minimum amount required to be budgeted in Reserve for Uncollected Taxes is determined utilizing the actual percentage of property taxes collected in the immediate preceding budget year, unless allowable alternative methods are utilized with the approval of the Division. A Reserve for Uncollected Taxes is not established or required under GAAP.

Pensions – The City appropriates in its annual budget the amount required to be paid for pension contributions as determined by the State administered pension systems. Under the regulatory basis of accounting the City is only required to disclose in the Notes to the Financial Statements it’s share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the government-wide financial statements.

Other Post-Employment Benefits (OPEB) – The City funds its employer paid post-retirement medical benefits on a pay-as-you-go basis. Under the regulatory basis of accounting the City is only required to disclose in the Notes to the Financial Statements it’s actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the government-wide financial statements.

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.

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 fund is 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 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.

CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

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.

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

The City must prepare its budget in compliance with applicable laws limiting or capping the amounts by which both the budget appropriations and the municipal tax levy can increase in the annual budget.

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the City is permitted to increase its overall appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The City can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy.

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 2022 and 2021 the City Council increased the original budget by \$17,231,120 and \$15,818,853. The increases were funded by additional aid allotted to the City. In addition, the governing body approved several budget transfers during 2022 and 2021.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

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, 2022 and 2021, the book value of the City's deposits were \$95,200,331 and \$78,383,014 and bank and brokerage firm balances of the City's deposits amounted to \$96,021,733 and \$79,623,886, 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>2022</u>	<u>2021</u>
Insured	\$ 90,508,329	\$ 74,059,290
Uninsured and Collateralized	<u>5,513,404</u>	<u>5,564,596</u>
	<u>\$ 96,021,733</u>	<u>\$ 79,623,886</u>

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, 2022 and 2021, the City's bank balances of \$5,513,404 and \$5,564,596 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2022</u>	<u>2021</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 5,513,404</u>	<u>\$ 5,564,596</u>
	<u>\$ 5,513,404</u>	<u>\$ 5,564,596</u>

CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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 credit 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 and NJAC 5:30-14.19). 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, 2022 and 2021 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, 2022 AND 2021**

NOTE 4 TAXES AND UTILITY CHARGES RECEIVABLE

Receivables at December 31, 2022 consisted of the following:

	<u>Current</u>	<u>Utility Sewer</u>	<u>Total</u>
<u>2022</u>			
Property Taxes	\$ 14,343		\$ 14,343
Tax Title Liens	248,895		248,895
Utility Rents and Fees	<u>-</u>	<u>\$ 1,456,624</u>	<u>1,456,624</u>
	<u>\$ 263,238</u>	<u>\$ 1,456,624</u>	<u>\$ 1,719,862</u>

In 2022, the City collected \$145,043 and \$1,276,520 from delinquent taxes and utility charges, which represented 43% and 100% of the delinquent tax and sewer charges receivable at December 31, 2021.

Receivables at December 31, 2021 consisted of the following:

	<u>Current</u>	<u>Utility Sewer</u>	<u>Total</u>
<u>2021</u>			
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 2021, the City collected \$674,332 and \$975,968 from delinquent taxes and utility charges, which represented 69% and 100% of the delinquent tax, water and sewer charges receivable at December 31, 2020.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2022</u>		<u>2021</u>	
	<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	\$ 3,565,876	\$ 19,413,071	\$ 2,819,163	\$ 8,909,282
Grant	9,739,742	1,639,967	2,678,613	1,167,693
Trust Fund:				
Animal Control	4,022			8,223
Other Trust	10,357,106		6,859,303	
Community Development		1,069,585		529,755
Home Investment Program	260,698	526,405	260,698	400,513
General Capital Fund	879,637		466,528	
Sewer Utility Fund:				
Operating	51	2,158,053	48	2,068,839
Capital	-	51	-	48
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 24,807,132</u>	<u>\$ 24,807,132</u>	<u>\$ 13,084,353</u>	<u>\$ 13,084,353</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.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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</u>
<u>2022</u>			
Current Fund			
Emergency Authorization	\$ 643,200	\$ 160,800	\$ 482,400
 Sewer Utility			
Special Emergency Authorization	\$ 390,400	\$ 97,600	\$ 292,800
Operating Deficit	417,745	417,745	-
	<u>\$ 808,145</u>	<u>\$ 515,345</u>	<u>\$ 292,800</u>
 <u>2021</u>			
Current Fund			
Emergency Authorization	\$ 804,000	\$ 160,800	\$ 643,200
 Sewer Utility			
Special Emergency Authorization	\$ 488,000	\$ 97,600	\$ 390,400
Operating Deficit	346,686	346,686	-
	<u>\$ 834,686</u>	<u>\$ 444,286</u>	<u>\$ 390,400</u>

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Sewer Utility Operating Fund is 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>2022</u>		<u>2021</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	\$ 19,324,634	\$ 5,321,000	\$ 15,644,221	\$ 4,540,000
Non-Cash Surplus	<u>690,934</u>	<u>-</u>	<u>854,234</u>	<u>-</u>
	<u>\$ 20,015,568</u>	<u>\$ 5,321,000</u>	<u>\$ 16,498,455</u>	<u>\$ 4,540,000</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 87,898		\$ 87,901	
Non-Cash Surplus	<u>51</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 2023 introduced municipal budget. The 2023 municipal budget has not been legally adopted as of the date of audit.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2022 and 2021.

	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<u>2022</u>				
Land	\$ 47,610,504			\$ 47,610,504
Buildings and Building Improvements	18,879,088			18,879,088
Machinery and Equipment	4,991,940	\$ 254,044		5,245,984
Vehicles	4,141,265	398,908	\$ -	4,540,173
	<u>\$ 75,622,797</u>	<u>\$ 652,952</u>	<u>\$ -</u>	<u>\$ 76,275,749</u>
	Balance December 31, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Land	\$ 47,610,504			\$ 47,610,504
Buildings and Building Improvements	15,446,161	\$ 3,432,927		18,879,088
Machinery and Equipment	3,597,707	1,394,233		4,991,940
Vehicles	3,834,203	307,062	\$ -	4,141,265
	<u>\$ 70,488,575</u>	<u>\$ 5,134,222</u>	<u>\$ -</u>	<u>\$ 75,622,797</u>

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 8 FIXED ASSETS (Continued)

B. Sewer Utility Fund Fixed Assets

The following is a summary of changes in the utility funds fixed assets for the years ended December 31, 2022 and 2021.

Sewer Utility Fund	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<u>2022</u>				
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>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
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, 2022 AND 2021

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:

	<u>2022</u>	<u>2021</u>
Issued		
General		
Bonds and Loans	\$ 17,491,695	\$ 19,102,940
Sewer Utility		
Bonds	<u>696,000</u>	<u>816,000</u>
	18,187,695	19,918,940
Less Funds Temporarily Held to Pay Bonds and Notes	<u>(14,794)</u>	<u>(185,445)</u>
Net Debt Issued	18,172,901	19,733,495
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>\$ 18,218,976</u>	<u>\$ 19,779,570</u>

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is in the format of the City's Annual Debt Statement and indicates a statutory net debt of .41% and .48% at December 31, 2022 and 2021, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2022</u>			
General Debt	\$ 17,493,770		\$ 17,493,770
Sewer Utility Debt	<u>740,000</u>	<u>\$ 14,794</u>	<u>725,206</u>
Total	<u>\$ 18,233,770</u>	<u>\$ 14,794</u>	<u>\$ 18,218,976</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2021</u>			
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>

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>2022</u>	<u>2021</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 155,744,779	\$ 143,504,858
Less: Net Debt	<u>18,218,976</u>	<u>19,779,570</u>
Remaining Borrowing Power	<u>\$ 137,525,803</u>	<u>\$ 123,725,288</u>

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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>2022</u>	<u>2021</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%	\$ 5,681,000	\$ 6,281,000
\$3,775,000 2020 General Obligation Refunding Bonds, due in annual installments of \$600,000 to \$645,000 through August 1, 2026, interest rate at 5.00%	2,525,000	3,125,000
\$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>8,615,000</u>	<u>8,916,000</u>
	<u>\$ 16,821,000</u>	<u>\$ 18,322,000</u>

General Intergovernmental Loans Payable

The City has entered into a loan agreements 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>2022</u>	<u>2021</u>
\$200,000, 2006 Loan, due in semi-annual installments of \$5,800 to 6,157 through March, 2026, interest at 2%	\$ 41,838	\$ 53,266
\$500,000, 2008 Loan, due in semi-annual installments of \$20,805 to \$21,012 through July, 2022, interest at 2%	-	41,817
\$100,000, 2008 Loan, due in semi-annual installments of \$2,843 to \$3,078 through June, 2027, interest at 2%	26,633	32,235

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Intergovernmental Loans Payable (Continued)

	<u>2022</u>	<u>2021</u>
\$250,000, 2009 Loan, due in semi-annual installments of \$10,506 through April, 2022, interest at 2%		\$ 10,506
\$21,000, 2009 Loan, due in semi-annual installments of \$585 to \$646 through June, 2028, interest at 2%	\$ 6,769	7,923
\$250,000, 2018 Loan, due in semi-annual installments of \$6,753 to \$8,624 through September, 2035, interest at 2%	198,546	211,796
\$499,770, 2018 Loan, due in semi-annual installments of \$13,443 to \$17,240 through September, 2035, interest at 2%	<u>396,909</u>	<u>423,397</u>
	<u>\$ 670,695</u>	<u>\$ 780,940</u>

Sewer Bonds

The City pledges revenue from operations to pay debt service on utility bonds issued. The sewer utility bonds outstanding at December 31 are as follows:

Sewer Utility

	<u>2022</u>	<u>2021</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%	\$ 446,000	\$ 486,000
\$420,000, 2020 Sewer Refunding Bonds, due in annual installments of \$80,000 to \$85,000 through August 1, 2025, interest at 5.00%	<u>250,000</u>	<u>330,000</u>
	<u>\$ 696,000</u>	<u>\$ 816,000</u>

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2022 is as follows:

Calendar Year	General						Total
	Bonds		Loans		Sewer Utility		
	Principal	Interest	Principal	Interest	Principal	Interest	
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	1,600,000	221,230	48,248	8,412	80,000	5,880	1,963,770
2028-2032	5,046,000	601,045	233,717	28,156	156,000	4,620	6,069,538
2033-2037	3,000,000	240,000	151,388	5,343			3,396,731
2038	600,000	12,000	-	-	-	-	612,000
	<u>\$ 16,821,000</u>	<u>\$ 2,527,570</u>	<u>\$ 670,695</u>	<u>\$ 87,169</u>	<u>\$ 696,000</u>	<u>\$ 74,020</u>	<u>\$ 20,876,454</u>

Changes in Long-Term Municipal Debt

The City's long-term capital debt activity for the years ended December 31, 2022 and 2021 were as follows:

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within One Year
<u>2022</u>					
General Capital Fund					
Serial Bonds	\$ 18,322,000	-	\$ 1,501,000	\$ 16,821,000	\$ 1,580,000
Green Acres Loan Payable	<u>780,940</u>	<u>-</u>	<u>110,245</u>	<u>670,695</u>	<u>59,085</u>
General Capital Fund					
Long-Term Liabilities	<u>\$ 19,102,940</u>	<u>\$ -</u>	<u>\$ 1,611,245</u>	<u>\$ 17,491,695</u>	<u>\$ 1,639,085</u>
Sewer Utility Capital					
Serial Bonds	\$ 816,000	-	\$ 120,000	\$ 696,000	\$ 120,000
Sewer Utility Capital Fund					
Long-Term Liabilities	<u>\$ 816,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 696,000</u>	<u>\$ 120,000</u>

CITY OF PASSAIC
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, 2020	Additions	Reductions	Balance, December 31, 2021	Due Within One year
2021					
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	110,245
General Capital Fund					
Long Term Liabilities	\$ 11,555,414	\$ 8,916,000	\$ 1,368,474	\$ 19,102,940	\$ 1,611,245
Sewer Utility Capital					
Serial Bonds	\$ 946,000	\$ -	\$ 130,000	\$ 816,000	\$ 120,000
Sewer Utility Capital Fund					
Long Term Liabilities	\$ 946,000	\$ -	\$ 130,000	\$ 816,000	\$ 120,000

B. Short-Term Debt

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

Bond Anticipation Notes

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

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.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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>
<u>2022</u>		
Window Restoration	\$ 230,520	2023
Renovations to Public Works Garage and Offices	71,220	2023
2021 Roadway Improvements	210,490	2023
Christopher Columbus Park Improvements	175,802	2023
Turf Field Replacement at Pulaski Park	585,984	2023
Pulaski Parking Lot Improvements	341,892	2023
Speer Village Sink Hole Repair	748,385	2023
Portable Radios & Accessories	401,545	2023
Body Worn Cameras	269,500	2023

<u>Project/Purpose</u>	<u>Construction / Other Commitment</u>	<u>Estimated Date of Acquisition/ Completion</u>
<u>2021</u>		
Window Restoration	\$ 230,520	2023
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	2023
2020 Road Improvement Program	303,816	2022

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 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 \$6,151,782 and \$6,134,216 at December 31, 2022 and 2021, 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, 2022 and 2021, the City has reserved in the Other Trust Fund \$5,939,930 and \$4,637,849, 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, 2022 and 2021 is \$1,679,929 and \$2,059,827, respectively.

During the years ended December 31, 2022, 2021 and 2020 the City was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

<u>Years Ended December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2022	\$ 68,984	\$ 455,102
2021	67,638	446,735
2020	67,459	446,294

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2022 and 2021 were as follows:

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<u>2022</u>					
Compensated Absences	\$ 6,134,216	\$ 780,671	\$ 763,105	\$ 6,151,782	
Deferred Pension Obligation	2,059,827	144,188	524,086	1,679,929	\$ 504,284
Net Pension Liability - PERS (1)	17,791,352			17,791,352	
Net Pension Liability - PFRS (1)	55,382,792			55,382,792	
Net OPEB Liability (1)	<u>158,939,148</u>	<u>-</u>	<u>-</u>	<u>158,939,148</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 240,307,335</u>	<u>\$ 924,859</u>	<u>\$ 1,287,191</u>	<u>\$ 239,945,003</u>	<u>\$ 504,284</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.

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
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	24,451,547		6,660,195	17,791,352	
Net Pension Liability - PFRS	99,961,736		44,578,944	55,382,792	
Net OPEB Liability	<u>161,037,829</u>	<u>-</u>	<u>2,098,681</u>	<u>158,939,148</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 294,797,332</u>	<u>\$ 275,090</u>	<u>\$ 54,765,087</u>	<u>\$ 240,307,335</u>	<u>\$ 524,086</u>

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 cost-sharing multi-employer defined benefit plan. For additional information about CPFPPF, please refer to the State Division of Pension and Benefits (Division’s) Annual Comprehensive Financial Report (ACFR) which can be found at 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) Annual Comprehensive Financial Report (ACFR) which can be found at 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) Annual Comprehensive Financial Report (ACFR) which can be found at 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.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (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 1/55th 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 1/60th 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 on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment 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 State also administers the Pensions Adjustment Fund (PAF). Prior to the adoption of pension reform legislation, P.L. 2011, C.78, it provided cost of living increases equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which includes the CPFPPF. Cost-of-living increases provided under the State’s pension adjustment program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable.

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.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2022 was not available and for June 30, 2021 is \$12.0 billion, and the plan fiduciary net position as a percentage of the total pension liability is 70.33% at June 30, 2021. The collective net pension liability of the participating employers for local PFRS at June 30, 2022 was not available and for June 30, 2021 is \$9.4 billion and the plan fiduciary net position as a percentage of total pension liability is 77.26% at June 30, 2021.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 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.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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 2022 and 2021 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee’s annual compensation.

For the years ended December 31, 2022 and 2021 for CPFPPF, which is a single-employer defined benefit plan, the annual pension cost differs from the annual required contribution. 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 2022, 2021 and 2020 were equal to the required contributions.

During the years ended December 31, 2022, 2021, and 2020, 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>December 31</u>	<u>CPFPPF</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2022		\$ 8,830,938	\$ 1,758,810	\$ 40,080
2021		8,642,642	1,640,287	48,918
2020	\$ 6,732	7,813,431	1,473,136	48,739

In addition for the years ended December 31, 2022, 2021 and 2020 the City contributed for long-term disability insurance premiums (LTDI) \$0, \$0 and \$6,063, respectively for PERS and \$0, \$0 and \$189,852, respectively for PFRS.

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 No. 68 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2023-10 which authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 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 No. 68 financial information for the year ended December 31, 2022 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, 2021 and 2020. Employer allocation percentages have been rounded for presentation purposes.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS)

At December 31, 2021, the City reported a liability of \$17,791,352, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021, the City's proportionate share was .15018 percent, which was an increase of .00024 percent from its proportionate share measured as of June 30, 2020 of .14994 percent.

For the year ended December 31, 2021, the pension system has determined the City's pension expense/(benefit) to be \$(2,666,951), for PERS based on the actuarial valuations which is less than the actual contribution reported in the City's financial statements of \$1,640,287. At December 31, 2021, 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>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 280,593	\$ 127,365
Changes of Assumptions	92,657	6,333,837
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		4,686,710
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>266,717</u>	<u>541,441</u>
Total	<u>\$ 639,967</u>	<u>\$ 11,689,353</u>

At December 31, 2021 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:

Year Ending <u>December 31,</u>	<u>Total</u>
2022	\$ (7,319,712)
2023	(3,448,761)
2024	25,781
2025	(594,661)
2026	287,967
Thereafter	<u>-</u>
	<u>\$ (11,049,386)</u>

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

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 Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation 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, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the City's proportionate share of the PERS net pension liability as of December 31, 2021 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>2021</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 24,228,214</u>	<u>\$ 17,791,352</u>	<u>\$ 12,328,763</u>

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2021. A sensitivity analysis specific to the City's net pension liability was not provided by the pension system.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

Police and Firemen’s Retirement System (PFRS)

At December 31, 2021, the City reported a liability of \$55,382,792, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021, the City’s proportionate share was .75772 percent, which was a decrease of .0159 percent from its proportionate share measured as of June 30, 2020 of .77362 percent.

For the year ended December 31, 2021, the pension system has determined the City pension (benefit) to be \$(7,891,869), for PFRS based on the actuarial valuations which is less than the actual contribution reported in the City’s financial statements of \$8,642,642. At December 31, 2021, 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:

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 631,850	\$ 6,634,287
Changes of Assumptions	294,697	16,597,970
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		23,600,410
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>2,756,726</u>	<u>4,739,314</u>
Total	<u>\$ 3,683,273</u>	<u>\$ 51,571,981</u>

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

At December 31, 2021 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>
2022	\$ (15,353,325)
2023	(11,470,702)
2024	(9,590,130)
2025	(9,709,310)
2026	(1,508,749)
Thereafter	<u>(256,492)</u>
	<u>\$ (47,888,708)</u>

Actuarial Assumptions

The City’s total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate:	2.75%
Salary Increases	3.25%-15.25% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Sensitivity of Net Pension Liability

The following presents the City’s proportionate share of the PFRS net pension liability as of December 31, 2021 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:

<u>2021</u>	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ 84,097,037	\$ 55,382,792	\$ 31,481,284

The sensitivity analysis was based on the proportionate share of the City’s net pension liability at December 31, 2021. A sensitivity analysis specific to the City’s net pension liability was not provided by the pension system.

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, 2021, the State’s proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$15,576,399. For the year ended December 31, 2021, 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 \$1,734,756, which is more than the actual contribution the State made on behalf of the City of \$1,353,111. At December 31, 2021 (measurement date June 30, 2021) the State’s share of the PFRS net pension liability attributable to the City was .75772 percent, which was a decrease of .0159 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .77362 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.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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) Annual Comprehensive Financial Report (ACFR), 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 participating 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.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	64,243
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>32,624</u>
Total	<u>96,867</u>
Contributing Employers	585
Contributing Nonemployers	1

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, 2022 was not available and for 2021 is \$18.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is 0.28% at June 30, 2021.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2020 which was rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 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.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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 \$325.1 million and the State of New Jersey, as the non-employer contributing entity, contributed \$37.8 million for fiscal year 2021.

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, 2022, 2021 and 2020 were \$7,169,119, \$5,757,719 and \$4,906,906, respectively, which equaled the required contributions for each year. In addition, the City's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2022, 2021 and 2020 were \$687,789, \$671,279 and \$608,934, respectively.

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 No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2023-10 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 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 No. 75 financial information for the year ended December 31, 2022 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, 2021 and 2020. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2021, the City reported a liability of \$158,939,148, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2021. As of the measurement date of June 30, 2021 the City's proportionate share was .88301 percent, which was a decrease of .01431 percent from its proportionate share measured as of June 30, 2020 of .89732 percent.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

For the year ended December 31, 2021, the Plan has determined the City's OPEB expense to be \$7,587,735, 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, 2021, 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:

	<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 3,566,405	\$ 33,252,417
Changes of Assumptions	22,863,872	28,094,361
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	75,995	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	51,816,971	12,895,232
Contributions made Subsequent to the Measurement Date	-	-
Total	<u>\$ 78,323,243</u>	<u>\$ 74,242,010</u>

At December 31, 2021 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:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (2,542,322)
2023	(2,551,345)
2024	(2,558,556)
2025	1,023,962
2026	4,767,544
Thereafter	<u>5,941,950</u>
	<u>\$ 4,081,233</u>

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The City’s total OPEB liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2021</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%

*Salary increases are based on years of service within the respective pension plan.

Mortality Rates

Pre-retirement and healthy post-retirement mortality rates were based on the Pub-2010 Healthy “Safety” for PFRS and Healthy “General” for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality rates were based on the Pub-2010 Disabled “Safety” for PFRS and Disabled “General” for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 5.65 percent and decreases to a 4.50 percent long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 and 2023 are reflected. Future years PPO and HMO trend rates differ for each retirement plan. PPO trend is initially 7.56% in fiscal year 2024, increasing to 14.43% in fiscal year 2025 and decreasing to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to 4.50% long-term after 7 years.

The actuarial assumptions used in the July 1, 2020 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 for June 30, 2021 measurement date was 2.16%. This 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.

**CITY OF PASSAIC
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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, 2021 calculated using the discount rate of 2.16%, 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 1.16% or 1-percentage-point higher 3.16% than the current rate:

<u>2021</u>	<u>1% Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
City's Proportionate Share of the Net OPEB Liability	<u>\$ 187,040,890</u>	<u>\$ 158,939,148</u>	<u>\$ 136,667,913</u>

The sensitivity analysis was based on the proportionate share of the City’s net OPEB liability at December 31, 2021. A sensitivity analysis specific to the City’s net OPEB liability was not provided by the Plan.

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, 2021 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>2021</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>\$ 132,608,778</u>	<u>\$ 158,939,148</u>	<u>\$ 193,297,020</u>

The sensitivity analysis was based on the proportionate share of the City’s net OPEB liability at December 31, 2021. 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 or 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.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation (Continued)

At December 31, 2021, the State's proportionate share of the net OPEB liability attributable to the City for the OPEB special funding situation is \$237,628. For the year ended December 31, 2021 the plan has determined the State's proportionate share of the OPEB expense attributable to the City for the OPEB special funding situation is \$(32,425). At December 31, 2021, (measurement date June 30, 2021), the State's share of the OPEB liability attributable to the City was .00615 percent, which was an increase of .00203 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .00412 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.

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, 2022 and 2021. 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, 2022 and 2021 the City has available in the Other Trust Fund \$4,603,982 and \$4,241,902, respectively for the payment of self-insurance claims.

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, 2022 and 2021. 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. As of December 31, 2022 and 2021, the City reserved \$3,787,175 and \$4,098,659, 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.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 15 CONTINGENT LIABILITIES (Continued)

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, 2022 and 2021, 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.

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, 2022 and 2021 was \$30,933,310 and \$12,424,601, respectively, of which the City the Passaic's share was \$3,402,664 and \$1,366,706, 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 \$74,468,340 and \$101,106,757 of debt outstanding as of December 31, 2022 and 2021, respectively, of which the City of Passaic's share was \$21,275,605 and \$28,886,200, 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, 2022 and 2021, 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, 2022 and 2021, 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).

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 17 TAX ABATEMENTS (Continued)

- 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, 2022 and 2021 the City abated property taxes totaling \$2,647,245 and \$2,652,730, respectively under the LTTE program. The City received \$1,170,210 and \$1,133,636 in PILOT payments under this program for the years ended December 31, 2022 and 2021, respectively.
- 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, 2022 and 2021 the City abated property taxes totaling \$69,489 and \$112,390, respectively under the FYEA program.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated 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. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 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.

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.

**CITY OF PASSAIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

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.

Generally, according to the Plan and implementing regulations, the allowable use of the funds to be provided to the City include the following categories:

- Replacing lost public sector revenue;
- Investing in water, sewer, broadband and other infrastructure;
- Providing premium pay for essential workers;
- Supporting public health expenditures;
- Addressing COVID-19 related negative economic impacts; and
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households.

However, such funds may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation or administrative interpretation during the covered period reducing or delaying any tax or tax increase. Additionally, such funds may not be used for deposit in any pension fund. Such funds may be used to offset the amounts required to be raised in budgets for special emergency appropriations for COVID-19 deficits authorized by Chapter 74 discussed above. The City will be required to provide periodic reports detailing the accounting of the use of funds.

The City will receive \$31,131,608 from the Plan in two equal payments. The City has received the full amount of its relief funds under the plan as of December 31, 2022. The City utilized \$6,000,000 of the funds in the 2022 budget and has anticipated utilizing \$6,050,000 in the 2023 budget to replace lost public sector revenue. The City has not yet determined how it will spend the remaining funds 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, 2021		\$ 49,743,017
Increased by Receipts:		
Tax Collector	\$ 115,874,446	
Revenue Accounts Receivable	18,849,440	
Nonbudget Revenue	994,569	
Due from State of New Jersey - Senior Citizen/Veterans Deductions	54,572	
Receipts from the Parking Authority	792,801	
Receipts for Grant Fund	15,668,234	
Receipts for Animal Control Fund	1,936	
Receipts for Other Trust Fund	15,415	
Receipts from Home Investment Program Trust Fund	548	
Municipal Relief Fund Aid	654,421	
Miscellaneous Reserves	54,780	
Fees Payable	<u>59,316</u>	
		<u>153,020,478</u>
		202,763,495
Decreased by Disbursements:		
2022 Budget Appropriations	83,809,124	
2021 Appropriation Reserves	672,924	
Accounts Payable	325,297	
Encumbrances Payable	2,494,000	
County Taxes	27,550,754	
Local School Taxes	16,818,577	
Tax Overpayments	3,873	
Payments for Parking Authority	38,597	
Payments for Redevelopment Authority	45,263	
Payments for Grant Fund	2,709,060	
Payments for Other Trust Fund	4,047,681	
Payments for Community Development Block Grant Fund	539,830	
Payments for Home Investment Program Fund	126,440	
Payments for Sewer Utility Operating Fund	148,280	
Payments to Sewer Utility Operating Fund	400,000	
Fees Payable	59,566	
Reserve for Tax Appeals	311,484	
Miscellaneous Reserves	<u>840</u>	
		<u>140,101,590</u>
Balance, December 31, 2022		<u>\$ 62,661,905</u>

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

Balance, December 31, 2021		\$ 7,337,203
Increased by:		
Grants Receivable	\$ 3,833,648	
Receipts for Current Fund	668,490	
Receipts for Other Trust Fund	454,082	
Receipts for Parking Authority	100	
Unappropriated Grant Reserves	<u>1,309,782</u>	
		<u>6,266,102</u>
		13,603,305
Decreased by:		
Payments for Current Fund	20,445	
Appropriated Grant Reserves	<u>3,449,298</u>	
		<u>3,469,743</u>
Balance, December 31, 2022		<u>\$ 10,133,562</u>

SCHEDULE OF TAX COLLECTOR'S CASH

Increased by:		
Taxes Receivable	\$ 113,366,423	
Tax Title Liens Receivable	101,965	
Interest and Cost on Taxes	309,710	
Payment in Lieu of Taxes	1,170,210	
Tax Overpayments	18,416	
Prepaid Taxes	<u>907,722</u>	
		\$ 115,874,446
Decreased by:		
Payment to Treasurer		<u>\$ 115,874,446</u>

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

Balance, December 31, 2021	\$ <u>2,800</u>
Balance, December 31, 2022	\$ <u><u>2,800</u></u>

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

Balance, December 31, 2021	\$ 2,584,108
Increased by:	
2022 Budget Appropriation for Grants:	
Appropriated Grants	\$ 17,231,120
Payments for Current Fund	20,445
Transferred to Grant Fund - Disallowed Grant Costs	750,000
Grant Fund Receipts Deposited in Current Fund	<u>15,668,234</u>
	<u>33,669,799</u>
	36,253,907
Decreased By:	
Grants Receivable Anticipated as 2022 Budget Revenue	16,663,767
Anticipated Current Fund Revenue - ARP Funds	6,000,000
Current Fund Receipts Deposited in Grant Fund	668,490
Unappropriated Grants Anticipated as 2022 Budget Revenue	567,353
Grant Fund Expenditures Paid by Current Fund	<u>2,709,060</u>
	<u>26,608,670</u>
Balance, December 31, 2022	\$ <u><u>9,645,237</u></u>

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

Balance, December 31, 2021		\$	50,234
Increased by:			
Senior Citizens/Veterans Deductions Per Tax Duplicate		\$	64,500
Deductions Allowed by Tax Collector - 2021			<u>750</u>
			<u>65,250</u>
			115,484
Decreased by:			
Cash Received from State			54,572
Deductions Disallowed by Tax Collector - 2022			3,750
Deductions Disallowed by Tax Collector - Prior Years			<u>9,428</u>
			<u>67,750</u>
Balance, December 31, 2022		\$	<u>47,734</u>

EXHIBIT A-10

STATEMENT OF DUE TO PARKING AUTHORITY

Balance, December 31, 2021		\$	20,549
Increased by:			
Cash Receipts			<u>792,801</u>
			813,350
Decreased by:			
Current Fund Revenue-2022 Interlocal Agreement		\$	720,435
Payments Made for Parking Authority			<u>38,597</u>
			<u>759,032</u>
Balance, December 31, 2022		\$	<u>54,318</u>

EXHIBIT A-11

STATEMENT OF DUE FROM REDEVELOPMENT AUTHORITY

Balance, December 31, 2021		\$	213,519
Increased by:			
Cash Disbursements			
2022 Budget Appropriation		\$	10,000
Payments Made for Redevelopment Authority			<u>35,263</u>
			<u>45,263</u>
			258,782
Decreased by:			
2022 Budget Appropriation			<u>10,000</u>
Balance, December 31, 2022		\$	<u>248,782</u>

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

Fiscal Year Ended	Balance, December 31, 2021	2022 Levy	Tax Collector Adjustments	Senior Citizens and Veterans Deductions Disallowed	Collections 2021	Collections 2022	Senior Citizens and Veterans Deductions Allowed	Transferred from Tax Overpayments	Transferred to Tax Title Liens	Cancelled	Balance, December 31, 2022
2018	\$ 3,611									\$ 3,611	-
2019	3,835									3,835	-
2020	3,908					\$ 2		\$ 10		3,896	-
2021	<u>33,691</u>	-	-	\$ 9,428	-	22,667	-	20,399	-	53	-
	45,045	-	-	9,428	-	22,669	-	20,409	-	11,395	-
2022	<u>-</u>	<u>\$ 114,575,296</u>	<u>\$ 115,446</u>	<u>3,750</u>	<u>\$ 1,138,034</u>	<u>113,343,754</u>	<u>\$ 65,250</u>	<u>-</u>	<u>\$ 47,288</u>	<u>85,823</u>	<u>\$ 14,343</u>
	<u>\$ 45,045</u>	<u>\$ 114,575,296</u>	<u>\$ 115,446</u>	<u>\$ 13,178</u>	<u>\$ 1,138,034</u>	<u>\$ 113,366,423</u>	<u>\$ 65,250</u>	<u>\$ 20,409</u>	<u>\$ 47,288</u>	<u>\$ 97,218</u>	<u>\$ 14,343</u>
						<u>Cash Receipts</u>					<u>\$ 113,366,423</u>
Tax Yield:											
General Purpose Tax				\$ 114,218,826							
Added Taxes				<u>356,470</u>							
						<u>\$ 114,575,296</u>					
Tax Levy:											
Local District School Tax Levy				\$ 16,818,577							
County Taxes:											
County Tax - General			\$ 27,080,885								
County Tax Open Space			469,869								
County Tax - Added/Omitted			<u>86,260</u>								
				27,637,014							
Local Tax for Municipal Purposes			68,418,350								
Minimum Library Tax			1,431,033								
Add Additional Tax Levied			<u>270,322</u>								
				<u>70,119,705</u>							
						<u>\$ 114,575,296</u>					

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

Balance, December 31, 2021		\$ 292,744
Increased by:		
Transfers from Taxes Receivable - 2022	\$ 47,288	
Prior Period Adjustment	2,110	
Interest and Costs Accrued by Tax Sale	<u>8,718</u>	
		<u>58,116</u>
		350,860
Decreased by:		
Receipts		<u>101,965</u>
Balance, December 31, 2022		<u>\$ 248,895</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES

Balance, December 31, 2021		\$ <u>57,699</u>
Balance, December 31, 2022		<u>\$ 57,699</u>

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

	Balance, December 31, <u>2021</u>	<u>Accrued</u>	<u>Decreased by:</u>		Balance, December 31, <u>2022</u>
			<u>Treasurer</u>	<u>Tax Collector</u>	
Licenses					
Alcoholic Beverages		\$ 143,816	\$ 143,816		
Other		40,205	40,205		
Fees and Permits					
Construction Code Official		1,100,461	1,100,461		
Other		62,884	62,884		
Fines and Costs			-		
Municipal Court	\$ 68,448	1,180,686	1,166,166		\$ 82,968
Consolidated Municipal Property Tax Relief Aid		1,470,721	1,470,721		
Energy Receipts Tax		11,074,761	11,074,761		
Interest and Costs on Taxes		309,710		\$ 309,710	
Interest on Investments and Deposits		188,972	188,972		
Downtown Merchants Association		113,019	113,019		
Police Record Bureau		17,372	17,372		
Board of Education - Security Watch		3,400,000	3,400,000		
Cable Franchise Fee		328,008	328,008		
Passaic Public Library - Health Benefit Contributions		170,016	170,016		
Housing Authority Police Program		186,664	186,664		
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.		182,059		182,059	
Chestnut Housing Phase I		98,500		98,500	
Jack Parker Associates		344,250		344,250	
Housing Authority		199,692		199,692	
Garden Howe		45,503		45,503	
YMCA - River Road		15,000		15,000	
Highview Terrace		87,675		87,675	
585 Main Street		70,345		70,345	
663 Main Street		58,784		58,784	
Concord Estate		68,402		68,402	
American Rescue Plan - Federal Funding	-	6,000,000	6,000,000	-	-
	<u>\$ 68,448</u>	<u>\$ 27,167,505</u>	<u>\$ 25,673,065</u>	<u>\$ 1,479,920</u>	<u>\$ 82,968</u>
			Cash Receipts \$ 18,849,440	\$ 1,479,920	
			Due from Grant Fund 6,668,490		
			Due from Animal Control Fund 9		
			Due from Other Trust 154,438		
			Due from General Capital Fund 688	-	
			<u>\$ 25,673,065</u>	<u>\$ 1,479,920</u>	

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

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance December 31, <u>2021</u>	2022 Budget <u>Appropriation</u>	Balance December 31, <u>2022</u>
12/8/2020	COVID - 19	\$ 804,000	\$ 160,800	\$ <u>804,000</u>	\$ <u>160,800</u>	\$ <u>643,200</u>

EXHIBIT A-17

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2021	\$ 48,636
Increased by:	
Cash Receipts	<u>18,416</u>
	67,052
Decreased by:	
Overpayments Applied to Prior Year Taxes	\$ 20,409
Overpayments Refunded	<u>3,873</u>
	<u>24,282</u>
Balance, December 31, 2022	<u>\$ 42,770</u>

EXHIBIT A-18

STATEMENT OF PREPAID TAXES

Balance, December 31, 2021	\$ 1,138,034
Increased by:	
Cash Receipts	<u>907,722</u>
	2,045,756
Decreased by:	
Applied to 2021 Taxes Receivable	<u>1,138,034</u>
Balance, December 31, 2022	<u>\$ 907,722</u>

CITY OF PASSAIC
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance, December 31, 2021	Encumbrances Cancelled	Balance After Modifications	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT					
DEPARTMENT OF ADMINISTRATION					
Office of Business Administration					
Salaries & Wages	\$ 168,764		\$ 168,764	\$ 9,576	\$ 159,188
Other Expenses	90,402	\$ 179	90,581	-	90,581
Mayor and Council					
Salaries and Wages	12,600		12,600	-	12,600
Other Expenses	25,970		25,970	25,349	621
City Clerk					
Salaries and Wages	84,943		84,943	4,428	80,515
Other Expenses	56,624		56,624	4,253	52,371
Human Resources					
Salaries and Wages	69,654		69,654	857	68,797
Other Expenses	2,994		2,994	1,000	1,994
Financial Administration-Treasurer's Office					
Salaries and Wages	70,461		70,461	3,224	67,237
Other Expenses	73,388		73,388	64,983	8,405
Annual Audit					
Other Expenses	3,000		3,000	-	3,000
Revenue Administration					
Salaries and Wages	31,051		31,051	1,958	29,093
Other Expenses	7,638		7,638	274	7,364
Tax Assessment Administration					
Salaries and Wages	19,160		19,160	3,853	15,307
Other Expenses	17,322	8,728	26,050	-	26,050
Legal Services					
Other Expenses	20,000	62,170	82,170		82,170
Office of Engineer					
Salaries and Wages	30,389		30,389	2,194	28,195
Other Expenses	11,678	1,712	13,390		13,390
Planning and Economic Development					
Salaries and Wages	22,479		22,479	47	22,432
Other Expenses	18,667		18,667	-	18,667
Division of Housing					
Salaries and Wages	26,081		26,081	3,011	23,070
Other Expenses	3,285	211	3,496	-	3,496
Planning Board					
Other Expenses	11,171		11,171	4,743	6,428
Board of Adjustment					
Other Expenses	11,619		11,619	5,752	5,867
Rent Leveling Board					
Other Expenses	15,200		15,200	-	15,200
Insurance					
Employee Group Insurance	1,914,946		1,914,946	1,502,474	412,472
Health Benefit Waiver	8,200		8,200	-	8,200
DEPARTMENT OF PUBLIC WORKS					
Streets and Road Maintenance					
Salaries & Wages	403,100		403,100	155,260	247,840
Other Expenses	143,297		143,297	134,546	8,751
Solid Waste Collection					
Other Expenses			-		-
Garbage Removal Contractual	183,818		183,818	112,517	71,301
Building and Grounds					
Salaries & Wages	51,571		51,571	1,972	49,599
Other Expenses	57,665		57,665	39,884	17,781
Vehicle Maintenance					
Salaries & Wages	90,631		90,631	1,665	88,966
Other Expenses	25,617	5,130	30,747	-	30,747

CITY OF PASSAIC
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance, December 31, 2021	Encumbrances Cancelled	Balance After Modifications	Paid or Charged	Balance Lapsed
DEPARTMENT OF PUBLIC SAFETY					
Police Department					
Salaries and Wages	\$ 1,908,434		\$ 1,908,434	\$ 1,035,345	\$ 873,089
Other Expenses	58,889		58,889	41,104	17,785
BOE Security Watch and Res. Officer	188,055	\$ 124	188,179	-	188,179
Fire Department					
Salaries and Wages	1,033,826		1,033,826	504,828	528,998
Other Expenses	12,562		12,562	4,151	8,411
Municipal Court					
Salaries and Wages	212,561		212,561	5,025	207,536
Other Expenses	32,083	25,874	57,957	-	57,957
Office of Emergency Management					
Salaries and Wages	8,366		8,366	249	8,117
Other Expenses	2,331		2,331	1,779	552
Prosecutor 's Office					
Other Expenses	5,000	77,788	82,788	-	82,788
Public Defender					
Other Expenses	-	48,250	48,250		48,250
Passaic Parking Authority					
Salaries and Wages	68,452	-	68,452	2,808	65,644
Other Expenses	204,143	500	204,643	-	204,643
DEPARTMENT OF HUMAN RESOURCES					
Division of Health					
Salaries & Wages	61,353	-	61,353	17,254	44,099
Other Expenses	33,729	26,401	60,130	-	60,130
Animal Regulation					
Salaries & Wages	47,693	-	47,693	3,202	44,491
Other Expenses	29,892		29,892	10,199	19,693
DEPARTMENT OF PARKS AND RECREATION					
Division of Recreation					
Salaries & Wages	144,694		144,694	6,143	138,551
Other Expenses	106,785		106,785	56,333	50,452
Senior Citizens					
Salaries & Wages	108,997		108,997	3,262	105,735
Other Expenses	8,375		8,375	184	8,191
Handicapped Recreation					
Salaries & Wages	74,460		74,460	2,390	72,070
Other Expenses	19,765		19,765	170	19,595
Maintenance of Parks					
Salaries & Wages	43,941		43,941	1,506	42,435
Other Expenses	68,540	9,034	77,574	-	77,574
UNIFORM CONSTRUCTION CODE- APPROPRIATIONS OFFSET BY DEDICATED REVENUES					
Division of Code Enforcement					
Salaries & Wages	168,201	-	168,201	6,766	161,435
Other Expenses	50,828	890	51,718	-	51,718

CITY OF PASSAIC
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance, December 31, <u>2021</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
UNCLASSIFIED					
Utilities:					
Electricity	\$ 127,097		\$ 127,097	\$ 95,437	\$ 31,660
Telephone and Telegraph	136,784		136,784	103,694	33,090
Street Lighting	36,399		36,399	23,525	12,874
Gasoline	95,147	\$ 12,838	107,985	-	107,985
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Tipping Fees	652,780	25,730	678,510	-	678,510
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures					
Social Security System (O.A.S.I.)	187,335	-	187,335	-	187,335
Deferred Compensation Retirement Plan	21,072	-	21,072	-	21,072
GENERAL APPROPRIATIONS - ALL OTHER OPERATIONS EXCLUDED FROM "CAPS"					
Recycling Tax	2,084	-	2,084		2,084
Matching Funds for Grants	35,000	-	35,000	-	35,000
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Gun Range Improvements	10,600	-	10,600	10,600	-
Parks/Roads Improvement	538,912	-	538,912	538,912	-
	<u>\$ 10,328,550</u>	<u>\$ 305,559</u>	<u>\$ 10,634,109</u>	<u>\$ 4,558,686</u>	<u>\$ 6,075,423</u>
				Cash Disbursements	
				\$ 672,924	
				Transferred to Accounts Payable	
				240,164	
				Due to General Capital Fund	
				334,448	
				Due to Other Trust Fund	
				<u>3,311,150</u>	
				<u>\$ 4,558,686</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-21

STATEMENT OF COUNTY TAXES PAYABLE

Increased by:			
Levy			
General County		\$ 27,080,885	
County Open Space Preservation		469,869	
County Added/Omitted Taxes		<u>86,260</u>	
			<u>\$ 27,637,014</u>
			27,637,014
Decreased by:			
Cash Disbursed			<u>27,550,754</u>
Balance, December 31, 2022			<u>\$ 86,260</u>

EXHIBIT A-22

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2021			\$ 2,799,559
Increased by:			
Transferred from Budget Appropriations			<u>2,986,548</u>
			5,786,107
Decreased by:			
Payments		\$ 2,494,000	
Cancelled Encumbrances Restored to Appropriation Reserves		<u>305,559</u>	
			<u>2,799,559</u>
Balance, December 31, 2022			<u>\$ 2,986,548</u>

**CITY OF PASSAIC
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2021		\$ 603,180
Increased by:		
Transfer from 2021 Appropriation Reserves		<u>240,164</u>
		843,344
Decreased by:		
Cash Disbursements	\$ 325,297	
Cancelled	<u>149,536</u>	
		<u>474,833</u>
Balance, December 31, 2022		<u>\$ 368,511</u>

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2021		\$ 4,098,659
Decreased by:		
Cash Payments		<u>311,484</u>
Balance, December 31, 2022		<u>\$ 3,787,175</u>

CITY OF PASSAIC
STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, <u>2021</u>	<u>Increased by</u>	<u>Decreased by</u>	Balance, December 31, <u>2022</u>
Tax Map	\$ 145,541		\$ 840	\$ 144,701
Sale of Municipal Assets	75,000	\$ 54,780		129,780
PILOT - Housing Authority	<u>183,751</u>	<u>-</u>	<u>-</u>	<u>183,751</u>
	<u>\$ 404,292</u>	<u>\$ 54,780</u>	<u>\$ 840</u>	<u>\$ 458,232</u>

STATEMENT OF FEES PAYABLE

	Balance, December 31, <u>2021</u>	<u>Receipts</u>	<u>Payments</u>	<u>Cancelled</u>	Balance, December 31, <u>2022</u>
Construction Code Training Fees	\$ 29,608	\$ 59,286	\$ 59,531	\$ 13,024	\$ 16,339
Burial Fees	175	30	35	145	25
Bail Bond Forfeiture Fees	213,723				213,723
Ambulance Billing Fees	<u>11,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,151</u>
	<u>\$ 254,657</u>	<u>\$ 59,316</u>	<u>\$ 59,566</u>	<u>\$ 13,169</u>	<u>\$ 241,238</u>

CITY OF PASSAIC
STATEMENT OF RESERVE FOR PENSION CONTRIBUTIONS

Balance, December 31, 2021	\$ 608,338
Decreased by:	
Anticipated Revenue - 2022 Budget	<u>300,000</u>
Balance, December 31, 2022	<u>\$ 308,338</u>

STATEMENT OF RESERVE FOR REVALUATION PROGRAM

Balance, December 31, 2021	<u>\$ 163,082</u>
Balance, December 31, 2022	<u>\$ 163,082</u>

STATEMENT OF DEFERRED STATE AID

Balance, December 31, 2021	\$ 4,724,778
Decreased by:	
Anticipated Revenue - 2022 Budget	<u>1,000,000</u>
Balance, December 31, 2022	<u>\$ 3,724,778</u>

STATEMENT OF MUNICIPAL RELIEF FUND AID

Increased By:	
Cash Receipts	<u>\$ 654,421</u>
Balance, December 31, 2022	<u>\$ 654,421</u>

CITY OF PASSAIC
STATEMENT OF GRANTS RECEIVABLE
GRANT FUND

	Balance, December 31, <u>2021</u>	Revenue <u>Accrued</u>	Cash <u>Received</u>	Balance, December 31, <u>2022</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		\$ 236,042	13,958
Byrne Memorial - TY 2016	225,070		201,437	23,633
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		10,607	215,788
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	469,676			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	80,647		-	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		188,378	15,169
Byrne Memorial - 2018	191,956		183,374	8,582
Pedestrian Safety Grant - 2019	20,710			20,710
FEMA - Fire SAFER Program - 2018	451,907		228,977	222,930
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	440,270		-	440,270
NJDEP-It Pays to Plug In	6,000			6,000
PC- Station House Adjustment Grant	11,359			11,359
WIC Grant-2020	125,384			125,384
Municipal Alliance - 2019	13,796			13,796
HOPWA 2019	87,440			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
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	23,254		14,858	8,396

**CITY OF PASSAIC
STATEMENT OF GRANTS RECEIVABLE
GRANT FUND**

	Balance, December 31, <u>2021</u>	Revenue <u>Accrued</u>	Cash <u>Received</u>	Balance, December 31, <u>2022</u>
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	120			120
Municipal Alliance 20/21	4			4
Pedestrian Safety Grant 2020	3,105			3,105
Roots for Rivers	233			233
Child Lead Prevention	14,637			14,637
Stationhouse Adjustment Grant- 2021	1,970			1,970
WIC 2020	218,459			218,459
Pedestrian Safety Grant 2021	15,060		-	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
HOPWA Covid 19 20-21	15,290		\$ 14,979	311
Mental Health Stigma Free - County Grant	500			500
2020 Patrick Leahy Bulletproof Vest	3,600			3,600
NJ DOT 2021 - Various Streets	754,435		473,416	281,019
Childhood Lead 2022	562,500		489,706	72,794
Distracted Drvng Crckdwn 2021 -Utext Udrv	60			60
Drive Sober Labor Day 2021	1,080			1,080
HOPWA 2021	150,000		46,565	103,435
It Pays to Plug In Grant	12,000		12,000	-
Municipal Alliance 2021-2022	17,312		17,310	2
Municipal Lead Abatement Grant 2020	82,949			82,949
NPP Year 2 (2021-2022)	12,500			12,500
County Open Space - 100 Steps & Plygrnd	200,000			200,000
Ryan White Initiative & MAI 2021	54,522		41,622	12,900
Summer Food Program 2021	78,206			78,206
Stationhouse Adj - Regional Grant 2021	45,000		29,504	15,496
Strengthening Health Capacity Grant FY 2022	265,586		259,851	5,735
Strengthening Health Capacity Grant FY 2021	61,302			61,302
WIC 2021-2022 Grant	1,051,981		790,800	261,181
NJ DOT Youth Corp Program	22,435			22,435
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		20,500	29,500
NJDOT TAPS - Railroad ROW	1,000,000			1,000,000
Assistance to Firefighters Grant	142,651			142,651
American Rescue Plan - Federal Funding		\$ 15,565,804	15,565,804	-
Alcohol Education and Rehab 2022		13,424	13,424	-
Body Armor Grant 2021		6,092	6,092	-
Clean Communities 2022		81,831	81,831	-
Click It or Ticket 2022 Seat Belt Mobil		10,500	9,730	770
Distracted Driving Crackdown 2022		12,250	11,760	490
PCCHC Local Arts Program Re-Grant		5,875	4,406	1,469
Pedestrian Safety Grant		35,000	28,960	6,040
Radon Awareness Program		2,000	2,000	-
Recycling Tonnage Grant 2022 (FY2019)		100,892	100,892	-
Ryan White FY 2022		143,279	83,414	59,865
Summer Food Program 2022		121,342	121,342	-
Stationhouse Adjustment - Passaic 2022		39,801	18,576	21,225
Stationhouse Adjustment - Regional Grant 2022		45,000	21,569	23,431
Strengthening Health Capacity Grant FY 2023		274,735	-	274,735
NJDOT Local Transportation Projects Fund		2,000,000		2,000,000
NJDOT Local Freight Impact Fund		950,000		950,000
Vaccination Supplement FY2022 Year 2		50,000		50,000

**CITY OF PASSAIC
STATEMENT OF GRANTS RECEIVABLE
GRANT FUND**

	Balance, December 31, <u>2021</u>	Revenue <u>Accrued</u>	Cash <u>Received</u>	Balance, December 31, <u>2022</u>				
Childhood Lead HY23	\$	562,500	\$	112,291	\$	450,209		
Municipal Alliance FY23		17,312				17,312		
Green Acres 2021		1,200,000				1,200,000		
ROID FY22		9,500				9,500		
WIC FY23		1,121,619				1,121,619		
Byrne Memorial JAG 2021		203,161				203,161		
Safe and Secure FY2022		48,600				48,600		
Drive Sober or Get Pulled Over - 2022 YE Crackdown		12,250				12,250		
ARP Firefighter Grant FY2022	-	31,000	-			31,000		
	<u>\$</u>	<u>17,243,496</u>	<u>\$</u>	<u>22,663,767</u>	<u>\$</u>	<u>19,501,882</u>	<u>\$</u>	<u>20,405,381</u>
Due to/from Current Fund		\$	16,663,767	\$	15,668,234			
Anticipated Current Fund Revenue - ARP			6,000,000		-			
Cash Receipts			-		3,833,648			
		<u>\$</u>	<u>22,663,767</u>	<u>\$</u>	<u>19,501,882</u>			

CITY OF PASSAIC
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS
GRANT FUND

	Balance December 31, 2021		Increased by: Budget Appropriation	Expended	Balance December 31, 2022	
	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	\$ 28,659		
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		735,876		51,480		684,396
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		2,781		-		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
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, 2021		Increased by: Budget Appropriation	Expended	Balance December 31, 2022	
	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		\$ (13,845)	13,958	
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	
Byrne Memorial - TY 2016	\$ 153,666	1,271			\$ 153,666	1,271
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		900		8,291
Click It or Ticket - 2017		55				55
Childhood Lead Paint - 2017/2018		1,647				1,647
DOT Various Road Improvements - 2017		78,032		-		78,032
Green Acres - 3rd Ward & Veterans Memorial Park - 2017		70,462		-		70,462
Hep Inoculation - 2017		1,362				1,362
HOPWA - 2017/2018		12,254				12,254
Municipal Alliance - 2017/2018		313				313
Recycling Tonnage - 2015		31		31		-
Recycling Tonnage - 2016	5,160	9,562		13,445	135	1,142

CITY OF PASSAIC
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS
GRANT FUND

	Balance December 31, 2021		Increased by: Budget Appropriation	Expended	Balance December 31, 2022	
	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	\$ 1,675			1,014
Body Armor		4,567		4,567		-
Bill Belichick Foundation		4,718				4,718
Byrne Memorial - 2018	173,879	5,149		40,124	133,754	5,150
Child Lead Prevention Grant - 2018	1,262	235,500		764	492	235,506
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	11,806	154,695		8,183		158,318
FM Global Fire Prevention - 2018 - Local		12				12
FEMA Fire Safer - 2018		187,492		-		187,492
Hep Inoculation - 2018		3,235				3,235
HOPWA - 2018		40,581				40,581
Open Space 2018 - Madison and Hope Plaza		261				261
National Recreation & Park Association - 2018 - Local	41	13,952		42	2691	11,260
Recreation Opportunity Grant - 2018		10,044				10,044
Recycling Tonnage - 2018	32,109	40,435		72,544		-
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		1,869		-		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, 2021		Increased by: Budget Appropriation	Expended	Balance December 31, 2022	
	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	\$ 181	264,571			\$ 181	264,571
NJDOT - Municipal AID Program - 2020	280,290	234,978	\$ 385,884		-	129,384
Municipal Alliance - 2019		5,980				5,980
Alcohol Education - 2019		6,269				6,269
Childhood Lead Prevention - 2019	-	844		-		844
Distracted Driving Crackdown - 2019		330				330
Green Acres Program - 2019	17,768	539,128		53,016	343,421	160,459
GS Autolex (Honda) Donation		300				300
HOPWA - 2019		1,707				1,707
PC- Cultural Heritage Local Art Program		220				220
NJDEP - Stewardship - Forestry Program		6,170				6,170
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		13,113		198
Recycling Tonnage - 2018		109,211		109,211		-
Ryan White - Part A HIV/AIDS Grant - 2019		80,363				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)	-	38,824		-		38,824
Bryne Memorial 2019 Grant	24,837	155,502		40,004		140,335
Patrick Leahy Bulletproof Vest -2019		31,546		13,020		18,526
Patrick Leahy Bulletproof Vest -2020		3,600				3,600
USDOJ - Covid Emergency Supplemental	1,150	2,814		-		3,964
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, 2021		Increased by: Budget Appropriation	Expended	Balance December 31, 2022	
	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	\$ 671,222	40,213		\$ 480,369	\$ 209,653	21,413
Drive Sober Year End Crack Down - 2019		110				110
HOPWA Covid 19 - 2020	592	18,158		18,750	-	-
HOPWA 2020	10,938	42,377		30,957		22,358
Municipal Alliance - 2020/2021		3		-		3
Pedestrian Safety Grant - 2020		10,557				10,557
Pedestrian Safety Grant - 2021		14,450		6,486		7,964
Roots for Rivers		229		-		229
Ryan White 2020	562	5,893		3,183		3,272
2020 Summer Food Program	-	112,936				112,936
WIC 2020/2021 Grant	-	100,360		-		100,360
COPS Hiring Grant		1,000,000		500,016		499,984
Municipal Alliance 5th Q		3,158				3,158
Body Armor Grant		100		-		100
Stationhouse Adjustment Grant Additional	1,677	6,079		-	1,677	6,079
Mental Health County Grant		500				500
Stationhouse Adjustment Grant - 2021	-	1,277		900		377
Childhood Lead Prevention - 2021	16,280	186,797		9,066	5,945	188,066
Drive Sober Year End Crack Down	-	840		-	-	840
Alcohol Education and Rehab 2021		9,315				9,315
American Rescue Plan Federal Fndg	359,444	9,914,118	\$ 15,565,804	7,651,675	1,779,528	16,408,163
Body Armor Grant 2020		10,567		10,567		-
Clean Communities 2020		74,472			2,841	71,631
Clean Communities 2019		62,617		40,644	4,146	17,827
Childhood Lead 2022	230	377,957		222,331	47	155,809
Click It or Ticket 2021 Seat Belt Mblztn		960				960
Distracted Drvng Crckfwn 2021-Utext Udrv		480				480
Drunk Driving Enforcement Fund FY2020	240	2,053		2,293		-
Drive Sober Labor Day 2021		1,560				1,560
HOPWA 2021		137,808		87,663	15,618	34,527
Municipal Alliance 2021-2022		10,811		10,809		2
Municipal Lead Abatement Grant 2020		166,877		20,039	16,688	130,150
NPP Year 2 (2021-2022)	625	95,087		86,507		9,205

CITY OF PASSAIC
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS
GRANT FUND

	Balance December 31, 2021		Increased by: Budget Appropriation	Expended	Balance December 31, 2022	
	Encumbered	Reserved			Encumbered	Reserved
NPP COVID-19 Relief and Recovery Addtnl						-
County Open Space - 100 Steps & Plygrnd	\$ 180,885	\$ 19,115		\$ 180,885	\$ 40,607	\$ 19,115
Recycling Tonnage Grant 2019 (FY 17)		160,268		26,904		92,757
Recycling Tonnage Grant 2020 (FY 18)		153,337				153,337
Ryan White 2021 Grant	8,064	113,975		105,188		16,851
Summer Food Program 2021	9,521	40,450			9,521	40,450
Stationhouse Adj - Regional Grant 2021	488	32,879		2,984		30,383
Strengthening Health Capacity Grant FY 2022	16,073	222,684		125,667	44,304	68,786
Strengthening Health Capacity Grant FY 2021		72,549				72,549
COVID-19 Vaccination Spplmntl Fdng FY22		31,205		30,876	114	215
WIC 2021-2022 Grant	2,614	882,211		826,235		58,590
NJ DOT Youth Corp Program		23,211				23,211
Youth Serv of America Afterschool Grant		192				192
Assistance to Firefighters Grant		142,651				142,651
Byrne Memorial JAG 2021		169,234		15,031		154,203
NJDOT TAPS - Railroad ROW		1,000,000				1,000,000
Safe and Secure 2021		48,600				48,600
WIC Infrastructure Frant FY 2022		32,800				32,800
NJDOT - Safe Streets to Transit FY 2021		200,000				200,000
HOPWA COVID-19-20-21 Additional		10,224		6,830		3,394
NJ DOT FY2022		782,700		4,584	45,016	733,100
NJ OAG - FY21 Body Worn Camera Grant		244,560			244,500	60
DOT TAPS - Mrkt St - PE & FD Phase	-	141,024	-	-	-	141,024
ARP Firefighter Grant FY2022			\$ 31,000			31,000
Body Armor Grant 2021			6,092			6,092
Byrne Memorial 2021 Grant			203,161			203,161
Childhood Lead 2023			562,500	179,838	70	382,592
Click It or Ticket 2022 Seat Belt Mobil			10,500	9,940		560
Distracted Driving Crackdown 2022 -Utext Udrv			12,250	9,660		2,590
NJDOT FY2022 Local Freight Impact Fund			950,000			950,000
NJDOT FY22 Local Trans. Projects Fund			2,000,000			2,000,000
Drive Sober - YE Crackdown 2022			12,250	2,520		9,730
Green Acres Grant 2021			1,200,000			1,200,000
PC Hist. Pres. Grant 2022 Local Arts Program			5,875	5,875		-
Municipal Alliance Grant 2022-2023			17,312	7,019	1,973	8,320
Pedestrian Safety Grant - 2022			35,000	23,840		11,160
Radon Awareness Program			2,000	2,000		-
Rec Opp (ROID) FY2022			9,500			9,500
RyanWhite 2022 Grant			143,279	36,448		106,831

CITY OF PASSAIC
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS
GRANT FUND

	Balance December 31, 2021		Increased by: Budget Appropriation		Balance December 31, 2022	
	Encumbered	Reserved	Expended	Expended	Encumbered	Reserved
Summer Food Program 2022			\$ 121,342	\$ 114,665	\$ 1	\$ 6,676
Stationhouse Adj - Passaic Grant 2022			39,801	35,102	1,828	2,871
Stationhouse Adj - Regional Grant 2022			45,000	42,405	1,719	876
Strengthening Health Capacity Grant FY2023			274,735	65,394	49,178	160,163
Safe and Secure Communities 2022			48,600	45,765		2,835
COVID-19 Vaccination Splmentl FY22-Yr2			50,000	11,717	3,404	34,879
WIC 2022-2023 Grant			1,121,619	251,371	846	869,402
Recycling Tonnage Grant (FY2019)			100,892			100,892
Alcohol Education Rehab 2022			13,424			13,424
Clean Communities 2022			81,831			81,831
Senior Transportation County Reimb - 2014			120,804			120,804
Senior Transportation County Reimb - 2017			60,402			60,402
Senior Transportation County Reimb - 2018			60,402			60,402
Ryan White FY2019			118,803			118,803
Alcohol Education and Rehab 2020			6,835			6,835
Senior Transportation County Reimb - 2019			60,402			60,402
Senior Transportation County Reimb - 2020			60,402			60,402
Clean Communities 2021			79,303			79,303
	<u>-</u>	<u>-</u>	<u>79,303</u>	<u>-</u>	<u>-</u>	<u>79,303</u>
	\$ 2,144,590	\$ 22,283,040	\$ 23,231,120	\$ 12,176,550	\$ 3,276,550	\$ 32,205,650
Due from Current Fund			\$ 17,231,120			
Anticipated Current Fund Revenue-ARP			<u>6,000,000</u>			
			<u>\$ 23,231,120</u>			
Cash Disbursements				\$ 3,449,298		
Due to Current Fund - ARP Funds				6,000,000		
Due to Current Fund				2,709,060		
Due to Other Trust Fund				<u>18,192</u>		
				<u>\$ 12,176,550</u>		

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

	Balance December 31, <u>2021</u>	Cash <u>Receipts</u>	Realized as Current Fund <u>Revenue</u>	Balance December 31, <u>2022</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	
Multicultural-2019	1,591			1,591
2020 Alcohol Ed. Grant	6,835		6,835	
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	
Opioid Settlement Funds		\$ 164,897		164,897
UEZ 2023 Admin Budget		283,237		283,237
UEZ 2022 Clean Sweep		522,500		522,500
Body Armor Grant 2022		9,148		9,148
UEZ 2022 Loan Program	<u>-</u>	<u>330,000</u>	<u>-</u>	<u>330,000</u>
	<u>\$ 569,644</u>	<u>\$ 1,309,782</u>	<u>\$ 567,353</u>	<u>\$ 1,312,073</u>

EXHIBIT A-34

STATEMENT OF RESERVE FOR GRANT REIMBURSEMENT - GRANT FUND

Balance, December 31, 2021	\$ 705,539
Increased by:	
Due from Current Fund	<u>750,000</u>
Balance, December 31, 2022	<u>\$ 1,455,539</u>

EXHIBIT A-35

STATEMENT OF RESERVE FOR PROGRAM INCOME - GRANT FUND

Balance, December 31, 2021	<u>\$ 388,806</u>
Balance, December 31, 2022	<u>\$ 388,806</u>

TRUST FUND

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

	Animal Control <u>Fund</u>	Other Trust <u>Fund</u>	Community Development Block Grant <u>Fund</u>	Home Investment Program Fund
Balance, December 31, 2021	\$ 37,335	\$ 16,507,026	\$ 325,034	\$ 265,019
Increased by:				
Animal Licenses	8,688			
Late Fees/Adoption Fees	3,540			
Due State of New Jersey	1,958			
Interest Earned	9			
Miscellaneous Reserves and Deposits		69,114,531		
Receipts for Current Fund		119,358		
Program Income			4,617	131,751
HUD - CDBG Program Allotments			1,354,921	
HUD - HOME Program Allotments	-	-	-	52,037
	<u>14,195</u>	<u>69,233,889</u>	<u>1,359,538</u>	<u>183,788</u>
	<u>51,530</u>	<u>85,740,915</u>	<u>1,684,572</u>	<u>448,807</u>
Decreased by:				
Due State of New Jersey	3,041			
Animal Control Expenditures	11,397			
Miscellaneous Reserves and Deposits		68,268,154		
Encumbrances Payable	2,594			
HUD-CDBG Program Expenditures			664,918	
Payments made for Current Fund	10,318	56,003		548
Payments made for Grant Fund		18,192		
HUD - Home Investment Program Expenditures	-	-	-	37,586
	<u>27,350</u>	<u>68,342,349</u>	<u>664,918</u>	<u>38,134</u>
Balance, December 31, 2022	<u>\$ 24,180</u>	<u>\$ 17,398,566</u>	<u>\$ 1,019,654</u>	<u>\$ 410,673</u>

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

Balance, December 31, 2021		\$ 1,295
Increased by:		
Cash Receipts		<u>1,958</u>
		3,253
Decreased by:		
Cash Disbursed		<u>3,041</u>
Balance, December 31, 2022		<u>\$ 212</u>

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

Balance, December 31, 2021		\$ 22,628
Increased by:		
Cash Receipts		
Dog Licenses	\$ 8,498	
Cat Licenses	190	
Late Fees/Adoption Fees	<u>3,540</u>	
		\$ 12,228
Received by Current Fund		<u>1,936</u>
		<u>14,164</u>
		36,792
Decreased by:		
Cash Disbursements	11,397	
Encumbrances Payable	<u>7,260</u>	
		<u>18,657</u>
Balance, December 31, 2022		<u>\$ 18,135</u>

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

Balance, December 31, 2021 (Due to)		\$ 8,223
Increased by:		
Interest Earned		<u>9</u>
		8,232
Decreased by:		
Cash received by Current Fund	\$ 1,936	
Payments made for Current Fund	<u>10,318</u>	
		<u>12,254</u>
Balance, December 31, 2022 (Due From)		<u>\$ 4,022</u>

**STATEMENT OF ENCUMBRANCES PAYABLE
ANIMAL CONTROL FUND**

Balance, December 31, 2021		\$ 5,189
Increased by:		
Charges to Reserve for Expenditures		<u>7,260</u>
		12,449
Decreased by:		
Cash Disbursements		<u>2,594</u>
Balance, December 31, 2022		<u>\$ 9,855</u>

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

Balance, December 31, 2021 \$ 200

Balance, December 31, 2022 \$ 200

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

Balance, December 31, 2021 \$ 5,858,646

Increased by:

Other Trust Reserves and Deposits:

2022 Appropriations	\$ 3,960,000	
2021 Appropriation Reserves	3,311,150	
Deposits Received in Current Fund	<u>15,415</u>	

\$ 7,286,565

Payments for Current Fund

56,003

7,342,568

13,201,214

Decreased by:

Other Trust Reserves and Deposits:

Receipts for Current Fund - MRNA	114,920	
Receipts for Current Fund - MRA	<u>4,438</u>	

119,358

Payments made by Current Fund

4,047,681

2022 Anticipated Current Fund Revenue - POD Vehicle Fee

150,000

4,317,039

Balance, December 31, 2022 \$ 8,884,175

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

Balance, December 31, 2021 \$ 1,000,657

Increased by:

Other Trust Fund Receipts Deposited in the Grant Fund

\$ 454,082

Payments made for Grant Fund

18,192

472,274

Balance, December 31, 2022 \$ 1,472,931

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

	Balance, December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
Police Funds	\$ 5,569	\$ 84,594	\$ 11,055	\$ 79,108
Police Donation SWAT	900			900
EMS Facility	751			751
Fire Line Safety Reg.	272,380	448,025	399,744	320,661
Fire Permits and Fines	10,297	4,622		14,919
Fire Dedicated Funds	-	10,827	6,312	4,515
Developers Performance Bond	20,000			20,000
Unemployment Compensation Insurance	2,056,573	214,132	48,783	2,221,922
Self Insurance Workman's Compensation Claims	361,029	1,479,120	1,588,587	251,562
Parking Offences Adjudication Act Fees	79,071	20,922	11,790	88,203
Self-Insurance General Liability Claims	3,880,873	2,913,305	2,441,758	4,352,420
Storm Recovery	973,445	716,858	162,895	1,527,408
Donations - Mayor	3,740			3,740
Donations - Animal Control	9,080	1,390		10,470
Donations - Dignity House	300			300
Donations - Relocation Assistance	2,388	1,000		3,388
Donations - Multicultural Affairs	6,741	38,950	20,266	25,425
Donations - Toys for Kids	525			525
Donations - Turkey Giveaways	100	100		200
Donations - Target	1			1
Donations - Senior Citizen	1,603	1,258		2,861
Substance Abuse - Treatment	15,732	36,101	23,879	27,954
Substance Abuse - NJ Medical Assistance Program	94,763	425,122	420,255	99,630
NJ ACH Death Certificate	177,581	14,811		192,392
Recreation - Donations	17,857	5,525	5,134	18,248
Recreation Official Fee	7,955			7,955
Recreation Team Ceremony Fees	71			71
Affordable Housing - Reserve	30,662			30,662
Accumulated Sick and Vacation	4,637,849	2,065,186	763,105	5,939,930
Flexible Spending Deposits	13,106	30,197	15,632	27,671
Health Benefit Insurance	4,786,051	1,500,000		6,286,051
Payroll Deductions/Pension/ Salary Deposits	293,361	60,408,097	59,921,273	780,185
Regional Contribution Agreement	64,748			64,748
Marriage License Fees	18,522	6,050	10,050	14,522
Festival Performance Bonds	64,503	8,130	13,535	59,098
Primary General Election Deposits	38,964	62,427	47,949	53,442
Tax Sale Premium Deposits	3,637,851	2,487,000	2,857,900	3,266,951
Tax Redemption Deposits	8,747	2,105,149	1,995,739	118,157
Soccer Game Escrow (BOE)	1,340			1,340
Park Improvements - Recreation Donation	10,000			10,000
Demolition & Performance Bond Deposits	113,042	5,000	1,000	117,042
Developers Housing Escrow Deposits	450,800	120,800	105,700	465,900
Zoning Developers Escrow	280,167	55,275	148,556	186,886
Planning Developers Escrow	100,936	190,837	46,639	245,134
Elevator Inspection Fees	336,183	94,775	97,997	332,961
Nextel Rebanding Escrow Deposit	10,239			10,239
Fire Prevention Security	970			970
Police Off Duty Fees	341,163	1,259,593	1,300,302	300,454
Payment in Lieu of Parking	128,000	40,000		168,000
MAP Tax Assessor Emergency	-	-	-	-
	<u>\$ 23,366,529</u>	<u>\$ 76,855,178</u>	<u>\$ 72,465,835</u>	<u>\$ 27,755,872</u>
Cash Receipts		\$ 69,114,531		
Cash Disbursed			\$ 68,268,154	
Due to/from Current Fund		7,286,565	4,197,681	
Due from Grant Fund		454,082	-	
		<u>\$ 76,855,178</u>	<u>\$ 72,465,835</u>	

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

Balance, December 31, 2021			\$ 3,305,970
Increased by:			
Program Allotment - CDBG Year 48			<u>1,245,167</u>
			4,551,137
Decreased by:			
Cash Receipts			
CDBG		\$ 1,354,921	
Cancelled Receivable - ESG		<u>50</u>	
			<u>1,354,971</u>
Balance, December 31, 2022			<u>\$ 3,196,166</u>

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

Balance, December 31, 2021		\$ 3,248,581
Increased by:		
Program Income	\$ 4,617	
Program Allotment - CDBG Year 48	<u>1,245,167</u>	
		<u>1,249,784</u>
		4,498,365
Decreased by:		
CDBG/ESG Expenditures:		
Cash Disbursements Grant Allotment/Program Income	664,918	
Cancelled Balances	50	
Payments made by Current Fund	<u>539,830</u>	
		<u>1,204,798</u>
Balance, December 31, 2022		<u><u>\$ 3,293,567</u></u>
	<u>Analysis of Balance - December 31, 2022</u>	
	Program Income - CDBG - Unapprop.	\$ 94,856
	Program Years CDBG - Approp. Res.	3,196,166
	Program Income - ESG - Unapprop.	<u>2,545</u>
		<u><u>\$ 3,293,567</u></u>

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

Balance, December 31, 2021	\$ 6,958,346
Increased by:	
Grant Allotments	
Current Year Allotment - Year 48	<u>1,034,787</u>
	7,993,133
Decreased by:	
Cash Receipts - HUD	<u>52,037</u>
Balance, December 31, 2022	<u>\$ 7,941,096</u>

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

Balance, December 31, 2021	<u>\$ 155,454</u>
Balance, December 31, 2022	<u>\$ 155,454</u>

Analysis of Balance

Business and Housing Loans	<u>\$ 155,454</u>
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**STATEMENT OF MORTGAGE RECEIVABLE
HOME INVESTMENT PROGRAM FUND**

Balance, December 31, 2021	<u>\$ 455,237</u>
Balance, December 31, 2022	<u>\$ 455,237</u>

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

Balance, December 31, 2021	\$ <u>8,122</u>
Balance, December 31, 2022	\$ <u>8,122</u>

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

Balance, December 31, 2021	\$ 341,588
Increased by:	
Payments made by Current Fund	<u>539,830</u>
Balance, December 31, 2021	<u>\$ 881,418</u>

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

Balance, December 31, 2021	\$ <u>94,505</u>
Balance, December 31, 2022	<u>\$ 94,505</u>

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

Balance, December 31, 2021	\$ <u>167,036</u>
Balance, December 31, 2022	<u>\$ 167,036</u>

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

Balance, December 31, 2021	\$ <u>93,662</u>
Balance, December 31, 2022	<u>\$ 93,662</u>

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

Balance, December 31, 2021		\$ 400,513
Increased by:		
Payments made by Current Fund		126,440
		526,953
Decreased by:		
Payments to Current Fund		548
Balance, December 31, 2022		\$ 526,405

EXHIBIT B-21

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

Balance, December 31, 2021		\$ 7,083,550
Increased by:		
Grant Allotments		
Current Year Allotment - Year 48	\$ 1,034,787	
Program Income - Loan Program	131,186	
Program Income - Interest Earnings	565	
		1,166,538
		8,250,088
Decreased by:		
Cash Disbursements Grant Allotment/Program Income	\$ 37,586	
Payments made by Current Fund	126,440	
		164,026
Balance, December 31, 2022		\$ 8,086,062

Analysis of Balance - December 31, 2022

Program Income - Unappropriated		\$ 193,954
Program Years Appropriated Reserves		7,892,108
		\$ 8,086,062

GENERAL CAPITAL FUND

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

Balance, December 31, 2021	\$ 2,575,866
Increased by Receipts:	
Interest Earned	<u>688</u>
	2,576,554
Decreased by Disbursements:	
Encumbrances Payable	<u>490,714</u>
Balance, December 31, 2022	<u>\$ 2,085,840</u>

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

		Balance December 31, <u>2022</u>
Capital Improvement Fund		\$ 964,806
Fund Balance		315,714
Encumbrances Payable		559,040
Due From Current Fund		(879,637)
Reserve for Road, Park and Sewer Improvements		462,619
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	280,718
2242-19	Purchase of 99-11 Passaic Street	52,807
2305-21	Various Capital Improvements	<u>50,720</u>
		 <u>\$ 2,085,840</u>

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

Balance, December 31, 2021		\$ 466,528
Increased by:		
Reserve for Road, Sewer, and Park - 2021 Budget Appropriation	\$ 334,448	
Capital Improvement Fund - 2022 Budget Appropriation	<u>250,000</u>	
		<u>584,448</u>
		1,050,976
Decreased by:		
Interest Earned	688	
Reserve for Payment of Debt - 2022 Current Fund Revenue Realized	<u>170,651</u>	
		<u>171,339</u>
Balance, December 31, 2022		<u>\$ 879,637</u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2021		\$ 19,102,940
Decreased by:		
Payment of Bonds - Budget Appropriation	\$ 1,501,000	
Payment of Loans- Budget Appropriation	<u>110,245</u>	
		<u>1,611,245</u>
Balance, December 31, 2022		<u>\$ 17,491,695</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	2022 <u>Authorizations</u>	Serial Bond <u>Issued</u>	Balance, December 31, <u>2022</u>	<u>Analysis of Balance December 31, 2022 Expended</u>
1036-88	Various Improvements	\$ 2,075	\$ -	\$ -	\$ 2,075	\$ 2,075
		<u>\$ 2,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,075</u>	<u>\$ 2,075</u>

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

Balance, December 31, 2021	\$ 714,806
Increased by:	
Due from Current Fund - 2022 Budget Appropriation	<u>250,000</u>
Balance, December 31, 2022	<u><u>\$ 964,806</u></u>

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2021	\$ 743,147
Increased by:	
Charges to Improvement Authorizations	<u>306,607</u>
	1,049,754
Decreased by:	
Payments	<u>490,714</u>
Balance, December 31, 2022	<u><u>\$ 559,040</u></u>

**CITY OF PASSAIC
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance,</u> <u>December 31, 2021</u>		<u>Expended</u>	<u>Balance,</u> <u>December 31, 2022</u>	
		<u>Funded</u>	<u>Unfunded</u>		<u>Funded</u>	<u>Unfunded</u>
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	
2050-16	Various Capital Improvements	8,219			8,219	
2158-18	Remediation of DPW Garage and NJ Clean Energy Direct Install Project	142,249			142,249	
2169-18	Various Capital Improvements	403,350		\$ 122,632	280,718	
2242-19	Purchase of 99-11 Passaic Street	52,807			52,807	
2305-21	Various Capital Improvements	234,695	-	183,975	50,720	-
		<u>\$ 871,980</u>	<u>\$ -</u>	<u>\$ 306,607</u>	<u>\$ 565,373</u>	<u>\$ -</u>
				<u>\$ 306,607</u>		
				Encumbrances Payable		

**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, 2022</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
			<u>Date</u>	<u>Amount</u>					
General Obligation Bonds	6/6/2017	\$ 8,581,000	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%	\$ 6,281,000		\$ 600,000	\$ 5,681,000
General Obligation Refunding Bonds	12/9/2020	3,775,000	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%	3,125,000		600,000	2,525,000
General Obligation Bonds	8/25/2021	8,916,000	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		-	301,000
						\$ 18,322,000	\$ -	\$ 1,501,000	\$ 16,821,000
Paid by Budget Appropriation								\$ 1,501,000	

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

Balance, December 31, 2021	\$ 780,940
Decreased by:	
Paid by Budget Appropriation	110,245
Balance, December 31, 2022	\$ 670,695

<u>Ord. No.</u>	<u>Description</u>	
1442-98/1622-04/ 1675-05	Dundee Island Field Rehabilitation	\$ 68,471
1655-05	Pulaski Park Renovation	6,769
1643-04	Roberto Clemente Field Improvements	198,546
1839-10	Pulaski Park Improvements	396,909
		\$ 670,695

CITY OF PASSAIC
STATEMENT OF RESERVE FOR ROAD, SEWER, AND PARK IMPROVEMENTS

Balance, December 31, 2021	\$ 128,171
Increase:	
Due from Current Fund	<u>334,448</u>
Balance, December 31, 2022	<u>\$ 462,619</u>

STATEMENT OF RESERVE FOR SALE OF PROPERTY

Balance, December 31, 2021	<u>\$ 100,000</u>
Balance, December 31, 2022	<u>\$ 100,000</u>

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2021	<u>\$ 170,651</u>
Decreased By:	
Anticipated Revenue - 2022 Current Fund Budget	<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>2021</u>	Balance December 31, <u>2022</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, 2021	\$ 1,582,906	\$ 6,608
Increased by Receipts:		
Sewer Rents Received	\$ 6,045,337	
Other Accounts Receivable	138,581	
Interest Earned		\$ 3
Received from Current Fund	400,000	
Miscellaneous Revenue Not Anticipated	<u>11,863</u>	
	<u>6,595,781</u>	<u>3</u>
	8,178,687	6,611
Decreased by Disbursements:		
2022 Budget Appropriations	6,498,868	
2021 Appropriation Reserves	23,576	
Encumbrances Payable	171,623	
Interest on Bonds	<u>28,280</u>	
	<u>6,722,347</u>	<u>-</u>
Balance, December 31, 2022	<u>\$ 1,456,340</u>	<u>\$ 6,611</u>

ANALYSIS OF SEWER CAPITAL CASH

Due to Sewer Utility Operating Fund	\$ 51
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, 2022	<u>\$ 6,611</u>

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

Balance, December 31, 2021	\$ 1,268,226
Increased by:	
Sewer Rents Levied - Net	<u>6,224,410</u>
	7,492,636
Decreased by:	
Sewer Rents Collected:	
Cash Receipts from Passaic Valley Water Commission	<u>6,045,337</u>
Balance, December 31, 2022	<u>\$ 1,447,299</u>

EXHIBIT D-7

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

Balance, December 31, 2021	\$ 8,294
Increased by:	
St. Mary's Sewer Rents Levied - Net	<u>139,612</u>
	147,906
Decreased by:	
Cash Receipts	<u>138,581</u>
Balance, December 31, 2022	<u>\$ 9,325</u>

EXHIBIT D-8

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

	Balance December 31, 2021	Added in 2022	Reduced in 2022 Budget	Balance December 31, 2022
Special Emergency Authorizations - COVID 19	\$ 488,000		\$ 97,600	\$ 390,400
Operating Deficit	<u>346,686</u>	<u>\$ 417,745</u>	<u>346,686</u>	<u>417,745</u>
	<u>\$ 834,686</u>	<u>\$ 417,745</u>	<u>\$ 444,286</u>	<u>\$ 808,145</u>

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

	Balance, December 31, 2021	Balance, December 31, 2022
Sanitary Sewer System	\$ 5,577,974	\$ 5,577,974
Sewer Jet Cleaning Truck	185,000	185,000
T.V. Camera Truck	125,000	125,000
	<u>\$ 5,887,974</u>	<u>\$ 5,887,974</u>

EXHIBIT D-10

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

<u>Ordinance Number</u>	<u>Description</u>	Balance, December 31, 2021	Balance, December 31, 2022
2032-15	Improvements and Repairs to Sewer Pipes	\$ 35,766	\$ 35,766
		<u>\$ 35,766</u>	<u>\$ 35,766</u>

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

Balance, December 31, 2021		\$ 2,068,839
Increased by:		
Cash Receipts	\$ 400,000	
Cancelled 2021 Appropriation Reserves	58,271	
Payments Made by Current Fund for Sewer Utility Operating Fund Budget	148,280	
		606,551
		2,675,390
Decreased by:		
Anticipated Revenue - Deficit (General Budget)		517,337
Balance, December 31, 2022		\$ 2,158,053

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

Balance, December 31, 2021		\$ 48
Increased by:		
Interest Earned		3
Balance, December 31, 2022		\$ 51

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

Balance, December 31, 2021	\$ 171,623
Increased by:	
Charges to Budget Appropriations	<u>1,001</u>
	172,624
Decreased by:	
Cash Disbursed	<u>171,623</u>
Balance, December 31, 2022	<u>\$ 1,001</u>

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

Balance, December 31, 2021	\$ 7,382
Increased by:	
Charges to Budget Appropriations	
Interest on Bonds	<u>26,580</u>
	33,962
Decreased by:	
Interest Paid	<u>28,280</u>
Balance, December 31, 2022	<u>\$ 5,682</u>

**CITY OF PASSAIC
STATEMENT OF 2021 APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND**

	Balance December 31, <u>2021</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Balance Lapsed</u>
OPERATING				
Other Expenses	\$ 81,095	\$ 81,095	\$ 23,576	\$ 57,519
Sewer Treatment Expenses	569	569	-	569
Sewer Maintenance Fee - Contractual	<u>183</u>	<u>183</u>	<u>-</u>	<u>183</u>
	<u>\$ 81,847</u>	<u>\$ 81,847</u>	<u>\$ 23,576</u>	<u>\$ 58,271</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, 2021</u>		<u>Balance December 31, 2022</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, 2021	\$ 5,027,974
Increased by:	
Serial Bonds Paid by Operating Budget	<u>120,000</u>
Balance, December 31, 2022	<u>\$ 5,147,974</u>

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

Balance, December 31, 2021	<u>\$ 35,766</u>
Balance, December 31, 2022	<u>\$ 35,766</u>

Analysis of Balance - December 31, 2022

<u>Ord.</u> <u>No.</u>	<u>Description</u>	<u>Amount</u>
2032-15	Improvements and Repairs to Sewer Pipes	<u>\$ 35,766</u>

**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, 2022</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
			<u>Date</u>	<u>Amount</u>					
Sewer Bonds of 2017	6/6/2017	\$ 646,000	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%	\$ 486,000		\$ 40,000	\$ 446,000
Sewer Refunding Bonds of 2020	12/9/2020	420,000	8/1/2023	80,000	5.000%				
			8/1/2024	85,000	5.000%				
			8/1/2025	85,000	5.000%	<u>330,000</u>	<u>\$ -</u>	<u>80,000</u>	<u>\$ 250,000</u>
						<u>\$ 816,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 696,000</u>
								<u>\$ 120,000</u>	
								<u>\$ 120,000</u>	
								<u>\$ 120,000</u>	

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

Balance, December 31, 2021	\$ <u>14,794</u>
Balance, December 31, 2022	\$ <u>14,794</u>

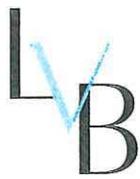
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
SEWER UTILITY CAPITAL FUND**

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	Balance, December 31, <u>2022</u>
1611-04	Various Sewer Improvements	\$ <u>44,000</u>	\$ <u>44,000</u>
		\$ <u>44,000</u>	\$ <u>44,000</u>

CITY OF PASSAIC

PART II

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

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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, 2022, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2023. 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.

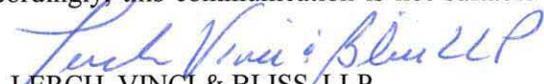
Report on Compliance and Other Matters

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.

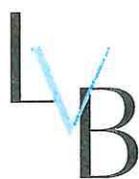


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants



Dieter P. Lerch
Registered Municipal Accountant
RMA Number CS00398

Fair Lawn, New Jersey
June 29, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, 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 identified as subject to audit 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, 2022. 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, 2022.

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.

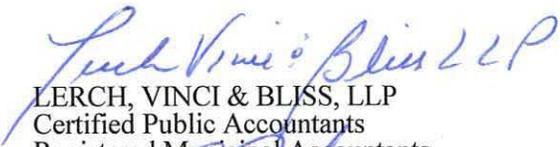
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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, 2022, and the related notes to the financial statements and have issued our report thereon dated June 29, 2023, 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
June 29, 2023

CITY OF PASSAIC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

State Grant Program	CFDA Number	State Acct Number	Grant Award Amount	Grant Receipts	Balance, December 31, 2021	Revenue Realized	Program Income	Expenditures	Adjustment	Balance, December 31, 2022	Cumulative Expended
U.S. Department of Health and Human Services											
Ryan White Title I - 2022	93.924	N/A	\$ 143,279	\$ 83,414		\$ 143,279		\$ 36,448		\$ 106,831	\$ 36,448
Ryan White Title I - 2021	93.924	N/A	137,441	41,622	\$ 122,039			105,188		16,851	120,590
Ryan White Title I - 2020	93.924	N/A	163,806		6,455			3,183		3,272	160,534
Ryan White Title I - 2019	93.924	N/A	118,803			118,803				118,803	-
Ryan White Title I - 2019	93.924	N/A	162,017		80,362					80,362	81,655
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		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
Total Ryan White Title I Cluster					476,248	262,082	-	144,819	-	593,511	674,136
U.S. Department of Health - (Pass through State Division of Family Health Services)											
Women, Infants, and Children-2022	10.557	046-4220-100-113-22	1,121,619			1,121,619		251,371		870,248	251,371
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	790,800	884,825			826,235		58,590	1,057,465
Women, Infants, and Children-2020	10.557	046-4220-100-113-20	1,141,189		100,359					100,359	1,040,830
Women, Infants, and Children-2019	10.557	046-4220-100-113-19	1,109,988		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
Total Women, Infants, and Children Cluster					1,166,181	1,121,619	-	1,077,606	-	1,210,194	7,917,431
U.S. Department of Agriculture - (Pass through State Division of Food and Nutrition)											
22 Summer Food Program	10.559	010-3350-100-033-22	121,342	121,342		121,342		114,665		6,677	114,665
21 Summer Food Program	10.559	010-3350-100-033-21	217,563		49,973					49,973	167,590
20 Summer Food Program	10.559	010-3350-100-033-20	226,476		112,936					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	10,607	157,226					157,226	217,334
Total Summer Food Program Cluster					787,208	121,342	-	114,665	-	793,885	1,142,692
Pass through Dept of Law and Public Safety-Division of Criminal Justice:											
Byrne Memorial Justice Asst. 2022	16.738	066-1020-100-364-22	203,161			203,161				203,161	-
Byrne Memorial Justice Asst. 2021	16.738	066-1020-100-364-21	169,234		169,234			15,031		154,203	15,031
Byrne Memorial Justice Asst. 2019	16.738	066-1020-100-364-19	180,339		180,339			40,004		140,335	40,004
Byrne Memorial Justice Asst. 2018	16.738	066-1020-100-364-18	191,956	183,374	179,028			40,124		138,904	53,052
Byrne Memorial Justice Asst. 2017	16.738	066-1020-100-364-17	203,547	188,378	142,090					142,090	61,457
Byrne Memorial Justice Asst. 2016 - TY	16.738	066-1020-100-364-16	225,070	201,487	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
Total Byrne Memorial Justice Asst. Cluster					833,586	203,161	-	95,159	-	941,588	701,429
U.S. Department of Homeland Security											
Assistance to Firefighters - 2020	97.044	EMW-2020-FG-15839	142,651		142,651					142,651	-
U.S. Department of Homeland Security (Passed through State Department of Law and Public Safety)											
Fire Safer Program	97.083	N/A	\$ 1,202,209		187,492					187,492	1,014,717
Fire Safer Program	97.083	N/A	1,094,988	228,977	147,840					147,840	947,148
Total Fire Safer Program Cluster					335,332	-	-	-	-	335,332	1,961,865

CITY OF PASSAIC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

State Grant Program	CFDA Number	State Acct Number	Grant Award Amount	Grant Receipts	Balance, December 31, 2021	Revenue Realized	Program Income	Expenditures	Adjustment	Balance, December 31, 2022	Cumulative Expended
U.S. Department of Housing and Urban Development											
CDBG Entitlement Grants	14.218	N/A	\$ 1,370,222	\$ 1,354,921	\$ 1,992,658	\$ 1,245,167	\$ 4,617	\$ 778,406		\$ 2,464,036	\$ 778,406
CDBG - COVID-CV	14.218		1,952,247		1,253,328			426,341		826,987	426,341
Emergency Solutions Grant	14.231	N/A			2,595	-	-	-	\$ (50)	2,545	-
Total CDBG/ESG Cluster					3,248,581	1,245,167	4,617	1,204,747	(50)	3,293,568	1,204,747
U.S. Department of Housing and Urban Development											
Home Investment Partnership Program	14.239	N/A	870,442	52,037	3,928,801	1,034,787		127,511	38,288	4,874,365	127,511
Home Investment Partnership Program - ARP	14.239	N/A	3,154,749		3,154,749	-	-	1,975	-	3,152,774	1,975
Total HOME Cluster					7,083,550	1,034,787	-	129,486	38,288	8,027,139	129,486
U.S. Department of Treasury											
Corona Virus State and Local Fiscal Recovery Funds - ARP	21.027		31,131,608	15,565,804	10,273,562	15,565,804		7,651,675		18,187,691	12,943,917
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	190,200								190,200
(Passed Through NJ Department of Community Affairs)											
ARP Firefighter Grant	21.021		31,000		-	31,000	-	-	-	31,000	-
Total Corona Virus Relief Funds - Cluster					10,273,562	15,596,804	-	7,651,675	-	18,218,691	13,134,117
					\$ 26,890,626	\$ 19,654,962	\$ 4,617	\$ 10,983,639	\$ 38,238	\$ 35,604,804	\$ 30,113,718

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, 2022

State Grant Program	Account Numbers	Grant Year	Grant Award	Grant Receipts	Balance, December 31, 2021	Revenue Realized	Local Match	Expended	Adjustments	Balance, December 31, 2022	Cumulative Expended
Department of Community Affairs											
Clean Communities Grant	042-4900-765-004-20	2022	\$ 81,831	\$ 81,831		\$ 81,831				\$ 81,831	-
Clean Communities Grant	042-4900-765-004-20	2022	79,304			79,304				79,304	-
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		62,617			\$ 40,644		21,973	\$ 60,613
Clean Communities Grant	042-4900-765-004-15	2015	79,122		149					149	78,973
Total Clean Communities Cluster					137,238	161,135	-	40,644	-	257,729	139,586
Recreation Opportunity											
Recreation Opportunity	022-8050-100-035-13	2022	9,500			9,500				9,500	-
Recreation Opportunity	022-8050-100-035-13	2019	13,311		13,311			13,113		198	13,113
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	9,500	-	13,113	-	29,601	33,070
Recycling Tonnage											
Recycling Tonnage	042-4900-752-001-20	2021	100,892			100,892				100,892	-
Recycling Tonnage	042-4900-752-001-20	2020	153,337		153,337					153,337	-
Recycling Tonnage	042-4900-752-001-19	2019	160,267	100,892	160,267			26,904		133,363	26,904
Recycling Tonnage	042-4900-752-001-18	2018	109,211		109,211			109,211		-	109,211
Recycling Tonnage	042-4900-752-001-17	2017	74,794		72,544			72,544		-	74,794
Recycling Tonnage	042-4900-752-001-16	2016	95,963		14,722			13,445		1,277	94,686
Recycling Tonnage	042-4900-752-001-15	2015	97,374		31			31		-	97,374
Recycling Tonnage	042-4900-752-001-12	2012	97,518		28,659			28,659		-	97,518
Total Recycling Tonnage Cluster					538,771	100,892	-	250,794	-	388,869	500,487
Municipal Lead Abatement (DCA)	2020-02330-0500	2020	166,877		166,877			20,039		146,838	20,039
Department of Health											
Alcohol Education and Rehabilitation	760-046-4240-001	2022	13,424	13,424		13,424				13,424	-
Alcohol Education and Rehabilitation	760-046-4240-001	2021	9,315		9,315					9,315	-
Alcohol Education and Rehabilitation	760-046-4240-001	2020	6,835			6,835				6,835	-
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			1,675		1,014	11,875
Alcohol Education and Rehabilitation	760-046-4240-001	2017	18,337		9,191			900		8,291	10,046
Alcohol Education and Rehabilitation	760-046-4240-001	2016	26,650		26,650					26,650	-
Total Alcohol Education & Rehabilitation Cluster					54,114	20,259	-	2,575	-	71,798	21,921
Child Health - Childhood Lead Exposure - 2019	DFHS19CHD023	2019	817,000		236,762			764		235,998	581,002
Child Health - Childhood Lead Exposure - 2018	DFHS18CHD007	2017/2018	575,665		1,647					1,647	574,018
Total Child Health					238,409	-	-	764	-	237,645	1,155,020
Childhood Lead - 2023											
Childhood Lead - 2023	OLPH21CLPO10	2023	562,500	112,291		\$ 562,500		179,838		382,662	179,838
Childhood Lead - 2022	OLPH21CLPO10	2022	562,500	489,706	378,187			222,331		155,856	406,644
Childhood Lead - 2021	OLPH21CLPO10	2021	562,500		203,077			9,066		194,011	368,489
Childhood Lead - 2019	OLPH20CLPO10	2019	750,000		844					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					588,031	562,500	-	411,235	-	739,296	2,016,704
Total Childhood Health/Lead Cluster					826,440	562,500	-	411,999	-	976,941	3,171,724

CITY OF PASSAIC
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

State Grant Program	Account Numbers	Grant Year	Grant Award	Grant Receipts	Balance, December 31, 2021	Revenue Realized	Local Match	Expended	Adjustments	Balance, December 31, 2022	Cumulative Expended
Department of Health											
COVID-19 Vaccination Supp. Funding -2022	OLPH22VSF059	2022	\$ 50,000			\$ 50,000	-	\$ 11,719	-	\$ 38,281	\$ 11,719
COVID-19 Vaccination Supp. Funding -2022	OLPH22VSF059	2021	50,000	\$ 20,500	\$ 31,205	-	-	30,876	-	329	49,671
					31,205	50,000	-	42,595	-	38,610	61,390
Department of Health											
Strength Loc Pub Health Capa Prog - 2022	N/A	2023	274,735			274,735	-	65,394	-	209,341	65,394
Strength Loc Pub Health Capa Prog - 2022	N/A	2022	291,042	259,851	238,757	-	-	125,667	-	113,090	177,952
Strength Loc Pub Health Capa Prog - 2021	N/A	2021	142,236		72,549	-	-	-	-	72,549	69,687
					311,306	274,735	-	191,061	-	394,980	313,033
Passed Thru County of Passaic											
Municipal Alliance	N/A	22/23	17,312			17,312		7,019		10,293	7,019
Municipal Alliance	N/A	21/22	17,312	17,310	10,811			10,809		2	17,310
Municipal Alliance - 5th Q	N/A	2020	3,158		\$ 3,158					3,158	-
Municipal Alliance	N/A	2020	12,985		3					3	12,982
Municipal Alliance	N/A	2019	39,478		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
					33,429	17,312	-	17,828	-	32,913	225,438
Multi Cultural											
	N/A	2015	700		700					700	-
Department of Law and Public Safety											
Drunk Driving Enforcement	1110-448-031020-22	2020	16,706		2,293			2,293		-	16,706
Drunk Driving Enforcement	1110-448-031020-22	2016	28,629		4,000					4,000	24,629
					6,293	-	-	2,293	-	4,000	41,335
Body Worn Camera Grant											
Body Worn Camera Grant	066-1020-495	2021	244,560		244,560					244,560	-
Body Armor Replacement	066-1020-718-001-11	2021	6,092	6,092		6,092				6,092	-
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		100					100	14,501
Body Armor Replacement	066-1020-718-001-11	2018	40,887		4,567			4,567		-	40,887
					259,794	6,092	-	15,134	-	250,752	65,955

CITY OF PASSAIC
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2022

State Grant Program	Account Numbers	Grant Year	Grant Award	Grant Receipts	Balance, December 31, 2021	Revenue Realized	Local Match	Expended	Adjustments	Balance, December 31, 2022	Cumulative Expended
Department of Law and Public Safety											
Safe and Secure	066-1020-100-232-16	2022	\$ 48,600			\$ 48,600		\$ 45,765		\$ 2,835	\$ 45,765
Safe and Secure	066-1020-100-232-16	2021	48,600	\$ 48,600	\$ 48,600					48,600	-
Safe and Secure	066-1020-100-232-16	2019	90,000		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
Total Safe and Secure Cluster					287,749	48,600	-	45,765	-	290,584	166,616
Juvenile Acct. Incent. BI Grant (Station House)											
Juvenile Acct. Incent. BI Grant (Station House)	JAIBG-16-01-02	2022	39,801	18,576		39,801		35,102		4,699	35,102
Juvenile Acct. Incent. BI Grant (Station House)	JAIBG-16-01-02	2022	45,000	21,569		45,000		42,405		2,595	42,405
Juvenile Acct. Incent. BI Grant (Station House)	JAIBG-16-01-02	2021	45,000	29,504	33,367			2,984		30,383	14,617
Juvenile Acct. Incent. BI Grant (Station House)	JAIBG-16-01-02	2020	35,462		1,277			900		377	35,085
Juvenile Acct. Incent. BI Grant (Station House)	JAIBG-16-01-02	2020	8,209		7,756					7,756	453
Juvenile Acct. Incent. BI Grant (Station House)	JAIBG-16-01-02	2019	34,762		84					84	34,678
Juvenile Acct. Incent. BI Grant (Station House)	JAIBG-16-01-02	2019	11,359		3,094					3,094	8,265
Juvenile Acct. Incent. BI Grant (Station House)	JAIBG-16-01-02	2018	34,762		237					237	34,525
Juvenile Acct. Incent. BI Grant (Station House)	JAIBG-16-01-02	2017	19,762		870					870	18,892
Juvenile Acct. Incent. BI Grant (Station House)	JAIBG-16-01-02	2015	19,792		36	-	-	-	-	36	19,756
Total Juvenile Acct. Incentive Block Cluster					46,721	84,801	-	81,391	-	50,131	243,778
Department of Commerce and Economic Development											
Urban Enterprise Zone Assistance Fund (UEZ)											
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		2,781					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
Total Urban Enterprise Zone Cluster					107,287	-	-	-	-	107,287	220,143
Department of Transportation											
Local Freight Impact Fund - 8th St. Impvt.	N/A	2022	950,000			950,000				950,000	
Municipal Aid Program - 2022	078-6320-480-XXX	2022	782,700		782,700			4,584		778,116	
Municipal Aid Program - 2021	078-6320-480-XXX	2021	754,435	473,416	711,435			480,369		231,066	523,369
Municipal Aid Program - 2020	078-6320-480-XXX	2020	883,174		515,268			385,884		129,384	753,790
Transp. Trust - Multi Impvt Project - 2022	078-6320-480-XXX	2022	2,000,000			2,000,000				2,000,000	
Transp. Trust - Various Road Imp - 2019	078-6320-480-XXX	2019	895,426		264,752					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		166,501			8,183		158,318	441,682
Transp. Trust - Various Road Imp - 2017	078-6320-480-XXX	2017	385,456		78,032					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		735,876	-	-	51,480	-	684,396	-
Total Transportation Cluster					3,677,758	2,950,000	-	930,500	-	5,697,258	3,392,618

CITY OF PASSAIC
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

<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, 2021</u>	<u>Realized</u>	<u>Local Match</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Balance, December 31, 2022</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		1,361					1,361	\$ 7,008
Hepatitis B Inoculation	046-4230-100-241-15	2015	5,000		428	-	-	-	-	428	4,572
Total Hepatitis B Inoculation Cluster					5,024	-	-	-	-	5,024	11,580
Housing Opportunity Grant - Covid 19	N/A	2021	10,224	\$ 46,565	10,224			\$ 6,830		3,394	6,830
Housing Opportunity Grant	N/A	2021	150,000	14,979	137,808			87,663		50,145	99,855
Housing Opportunity Grant - Covid 19	N/A	2020	56,829		18,750			18,750		-	56,829
Housing Opportunity Grant	N/A	2020	150,000		53,316			30,957		22,359	127,641
Housing Opportunity Grant	N/A	2019	150,000		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					308,625	-	-	144,200	-	164,425	902,238
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	236,042	113				\$ 13,845	13,958	236,042
US Lacrosse National Diversity	N/A	2018	2,000		2,000					2,000	-
Recreation - Hudson River Foundation		2019	10,000		2,735			2,735		-	10,000
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		95,712	-	-	86,507	\$ -	9,205	115,795
Total NJ Department of Community Affairs					95,712	-	-	86,507	-	9,205	430,995
Department of Environmental Protection Radon Awareness Program	100-042-4820-4CBC	2022	2,000		-	\$ 2,000	-	2,000	-	-	2,000
Department of Environmental Protection Green Trust Grant - Multi Park Impvts -2021	1607-21-080	2021	1,200,000			1,200,000				1,200,000	-
Green Trust Grant - Stewardship Award		2019	1,000,000		556,897			53,016		503,881	496,119
Green Trust Grant - Stewardship Award		2019	23,000		6,170					6,170	16,830
Green Trust Grant - 3rd Ward & Vet Mem Park	4800-533-852000-60	2017	1,000,000		70,462					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					634,563	1,200,000	-	53,016	-	1,781,547	2,541,453
					\$ 7,605,805	\$ 5,487,826	\$ -	\$ 2,354,189	\$ 13,845	\$ 10,753,287	\$ 12,760,464

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, 2022**

NOTE 1 REPORTING ENTITY

The City of Passaic (the “City”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The City is the reporting entity for these programs. The City is defined in Note 1 (A) to the City’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the City. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) 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 federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The City’s summary of significant accounting policies are described in Note 1 to the City’s Financial Statements.

NOTE 4 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	\$ 17,375,008	\$ 5,487,826	\$ 22,862,834
Community Development Grant Fund	1,245,167		1,245,167
Home Loan Program	<u>1,034,787</u>	<u>-</u>	<u>1,034,787</u>
Total Financial Awards	<u>\$ 19,654,962</u>	<u>\$ 5,487,826</u>	<u>\$ 25,142,788</u>

**CITY OF PASSAIC
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2022**

NOTE 5 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.

NOTE 6 STATE LOANS OUTSTANDING

Certain state loans at the beginning of the year and loans made during the year are included in The Schedules, while others are not required to be included in The Schedules. The City’s state loans outstanding at December 31, 2022, which are not required to be reported on the schedule of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State</u>
N.J. Dept. of Environmental Protection	
Green Acres Loans	
Dundee Island	\$ 68,471
Pulaski Park Renovation	6,769
Roberto Clemente Field Improvements	198,546
Pulaski Park Improvements	<u>396,909</u>
	<u>\$ 670,695</u>

NOTE 7 INDIRECT COST RATE

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

**CITY OF PASSAIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditors' report issued: Modified - Regulatory Basis
- B) Internal control over financial reporting:
- 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
- C) Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

- D) Dollar threshold used to determine Type A programs: \$750,000
- E) Auditee qualified as low-risk auditee? X yes no
- F) Type of auditors' report on compliance for major programs: Unmodified
- G) 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
- H) Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance? yes X no

I) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.710	COPS Hiring Grant
21.027	Coronavirus State and Local Fiscal Recovery Funds - ARP

**CITY OF PASSAIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2022**

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
042-4900-752-001-xx	Recycling Tonnage
0LPH21CLP010	Childhood Lead

**CITY OF PASSAIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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, 2022**

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, 2022**

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

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

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

	<u>Year 2022</u>		<u>Year 2021</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 4,540,000	2.62 %	\$ 4,340,000	2.56 %
Miscellaneous - From Other Than Local				
Property Tax Levies	47,684,680	27.53	47,006,907	27.69
Collection of Delinquent Taxes and Tax Title Liens	145,043	0.08	674,332	0.40
Collection of Current Tax Levy	114,543,288	66.13	109,511,585	64.51
Other Credits	<u>6,296,399</u>	<u>3.64</u>	<u>8,220,933</u>	<u>4.84</u>
Total Income	<u>173,209,410</u>	<u>100.00 %</u>	<u>169,753,757</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	119,155,302	72.15	115,160,687	72.01 %
County Taxes	27,637,014	16.73	27,386,675	17.12
Regional School Taxes	16,818,577	10.18	16,818,577	10.52
Other Expenditures	<u>1,541,404</u>	<u>0.93</u>	<u>558,270</u>	<u>0.35</u>
Total Expenditures	<u>165,152,297</u>	<u>100.00 %</u>	<u>159,924,209</u>	<u>100.00 %</u>
Excess in Revenue	8,057,113		9,829,548	
Fund Balance, January 1	<u>16,498,455</u>		<u>11,008,907</u>	
	24,555,568		20,838,455	
Less Utilization as Anticipated Revenue	<u>4,540,000</u>		<u>4,340,000</u>	
Fund Balance, December 31	<u>\$ 20,015,568</u>		<u>\$ 16,498,455</u>	

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

	<u>2022</u>			<u>2021</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Collection of Sewer Rents	\$ 6,183,918	99.81 %		\$ 5,228,723	99.42 %
Non-Budget Revenues	<u>11,866</u>	<u>0.19</u>		<u>30,535</u>	<u>0.58</u>
Total Income	<u>6,195,784</u>	<u>100.00</u> %		<u>5,259,258</u>	<u>100.00</u> %
EXPENDITURES					
Budget Expenditures					
Operating	6,540,000	91.71 %		6,295,000	97.49 %
Debt Service	146,580	2.06		161,944	2.51
Deferred Charges	<u>444,286</u>	<u>6.23</u>		<u>-</u>	<u>-</u>
Total Expenditures	<u>7,130,866</u>	<u>100.00</u> %		<u>6,456,944</u>	<u>100.00</u> %
Excess/(Deficit) in Revenues	(935,082)			(1,197,686)	
Adjustments to Income Before Fund Balance					
Realized from General Budget for Anticipated Deficit	<u>517,337</u>			<u>851,000</u>	
Operating Deficit to be Raised in Budget of Succeeding Year	<u>417,745</u>			<u>346,686</u>	
Statutory Excess to Fund Balance					
Fund Balance, Beginning of Year	<u>87,949</u>			<u>87,949</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>2022</u>	<u>2021</u>	<u>2020</u>
<u>Tax Rate</u>	<u>\$ 3.884</u>	<u>\$ 3.760</u>	<u>\$ 3.731</u>
<u>Apportionmen of Tax Rate</u>			
Municipal	\$ 2.375	\$ 2.258	\$ 2.250
County	.937	.930	.912
Local School	.572	.572	.569
<u>Assessed Valuation</u>			
2022	<u>\$ 2,940,752,492</u>		
2021		<u>\$ 2,944,212,798</u>	
2020			<u>\$ 2,956,331,066</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</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
December 31, 2022	\$ 114,575,296	\$ 114,543,288	99.97%
December 31, 2021	110,857,004	110,511,585	99.69%
December 31, 2020	110,422,305	109,399,164	99.07%

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>December 31 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>
2022	\$ 248,895	\$ 14,343	263,238	0.23%
2021	292,744	45,045	337,789	0.30%
2020	289,602	688,761	978,363	0.89%

**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>
2022	\$ 6,224,410	\$ 6,045,337	97.12%
2021	5,529,275	5,228,723	94.56%
2020	5,333,276	5,187,465	97.27%

(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	2022	\$ 20,015,568	\$ 5,321,000
	2021	16,498,455	4,540,000
	2020	11,008,907	4,340,000
Sewer Utility	2022	87,949	-
	2021	87,949	-
	2020	87,949	-

**CITY OF PASSAIC
OFFICIALS IN OFFICE AND SURETY BONDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

<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	Councilwoman	
Chaim M. Munk	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	
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. Many of the receivable balances are several years old with no activity. It is recommended that grant receivable balances be reviewed and continued efforts be made to collect balances due or cancelled of record where deemed uncollectible.

Our audit of the Municipal Court revealed 9,358 tickets assigned but not issued which were outstanding over six months and not recalled. It is recommended that outstanding tickets in the Municipal Court 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:

Christopher Columbus Park Improvements	Myrtle and Monroe St. Dog Park
Recycling Calendars	Furniture – Public Works Facility
2022 Ford F-150	Installation of SCBA Air Compressor
Columbia Park Improvements	22/23 Recreation Uniforms
ADA Ramp Addition – City Hall	Pre-packaged Meals – Summer Food Program
Repair of Spear Village Sink Hole	Installation of Exhaust Removal System

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.

CITY OF PASSAIC

GENERAL COMMENTS

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 13, 2022.

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:

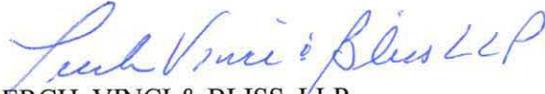
- * 1. Grant receivable and appropriated reserve reports be reviewed and adjusted to agree with the audit balances.
- * 2. Grant receivable balances be reviewed and continued efforts be made to collect balances due or cancelled of record where deemed uncollectible.
- * 3. Outstanding tickets in the Municipal Court 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