

**CITY OF PASSAIC**  
**PASSAIC COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2023**

**CITY OF PASSAIC**

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

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2023**



# 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  
City, 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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, 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, 2023 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, 2023 and 2022, 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.

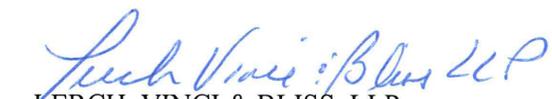
***Other Information***

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 26, 2024 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 CR000398

Fair Lawn, New Jersey  
June 26, 2024

**CITY OF PASSAIC**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
<b>REGULAR FUND</b>			
Cash	A-4	\$ 64,533,299	\$ 62,661,905
Cash - Change Fund	A-7	2,800	2,800
Due From State of New Jersey - Senior Citizens and Veterans	A-9	<u>48,234</u>	<u>47,734</u>
		<u>64,584,333</u>	<u>62,712,439</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-12	154,903	14,343
Tax Title Liens Receivable	A-13	141,785	248,895
Property Acquired for Taxes	A-14	312,899	57,699
Revenue Accounts Receivable	A-15	80,194	82,968
Due from Community Development Block Grant Fund	B-16	935,555	881,418
Due from Home Investment Program Fund	B-20	771,749	526,405
Due from Sewer Utility Operating Fund	D-11	2,051,407	2,158,053
Due from Passaic Redevelopment Authority	A-11	<u>250,032</u>	<u>248,782</u>
		<u>4,698,524</u>	<u>4,218,563</u>
Deferred Charges			
Special Emergency Authorization	A-16	<u>482,400</u>	<u>643,200</u>
		<u>482,400</u>	<u>643,200</u>
<b>Total Regular Fund</b>		<u>69,765,257</u>	<u>67,574,202</u>
<b>GRANT FUND</b>			
Cash	A-5	9,264,564	10,133,562
Grants Receivable	A-31	47,605,741	20,405,381
Due from Current Fund	A-8	2,099,768	9,645,237
Due from Community Development Block Grant Fund	B-17	<u>94,505</u>	<u>94,505</u>
<b>Total Grant Fund</b>		<u>59,064,578</u>	<u>40,278,685</u>
<b>Grand Total</b>		<u>\$ 128,829,835</u>	<u>\$ 107,852,887</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, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE			
REGULAR FUND			
Liabilities and Reserves			
Appropriation Reserves	A-3,A-19	\$ 8,790,725	\$ 10,143,607
Encumbrances Payable	A-22	3,250,451	2,986,548
Accounts Payable	A-23	819,874	368,511
Tax Overpayments	A-17	11,214	42,770
Prepaid Taxes	A-18	813,902	907,722
County Taxes Payable	A-21		86,260
Fees Payable	A-26	272,428	241,238
Due to Grant Fund	A-8	2,099,768	9,645,237
Due to Animal Control Fund	B-4	6,357	4,022
Due to Other Trust Fund	B-7	11,871,456	8,884,175
Due to General Capital Fund	C-4	1,312,750	879,637
Due to Passaic Parking Authority	A-10	81,319	54,318
Reserve for Tax Appeals	A-24	4,676,409	3,787,175
Reserve for Pension Contributions	A-27		308,338
Reserve for Revaluation Program	A-28	163,082	163,082
Reserve for Deferred State Aid	A-29	2,724,778	3,724,778
Reserve for Municipal Relief Fund Aid	A-30	1,308,565	654,421
Miscellaneous Reserves	A-25	443,536	458,232
		<u>38,646,614</u>	<u>43,340,071</u>
Reserve for Receivables and Other Assets	A	4,698,524	4,218,563
Fund Balance	A-1	<u>26,420,119</u>	<u>20,015,568</u>
Total Regular Fund		<u>69,765,257</u>	<u>67,574,202</u>
GRANT FUND			
Encumbrances Payable	A-32	2,434,836	3,276,550
Due to Other Trust Fund	B-8	2,391,614	1,472,931
Due to Home Investment Program Fund	B-18	167,036	167,036
Due to Passaic Parking Authority	A		100
Appropriated Grant Reserves	A-32	51,734,209	32,205,650
Unappropriated Grant Reserves	A-33	25,453	1,312,073
Reserve for Grant Reimbursement	A-34	1,922,624	1,455,539
Reserve for Program Income	A-35	388,806	388,806
Total Grant Fund		<u>59,064,578</u>	<u>40,278,685</u>
Grand Total		<u>\$ 128,829,835</u>	<u>\$ 107,852,887</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  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
REVENUES AND OTHER INCOME REALIZED:			
Fund Balance Utilized	A-2	\$ 5,321,000	\$ 4,540,000
Miscellaneous Revenue Anticipated	A-2	67,074,403	46,575,191
Receipts from Delinquent Taxes	A-2	41,415	145,043
Receipts from Current Taxes	A-2	117,336,716	114,543,288
Non-Budget Revenues	A-2	1,622,502	1,109,489
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-19	6,310,647	6,075,423
Unexpended Balance of Sewer Appropriation Reserves	D-11	12,852	58,271
Cancelled Fees Payable	A-1		13,169
Cancelled Accounts Payable	A-1	-	149,536
		<u>197,719,535</u>	<u>173,209,410</u>
EXPENDITURES			
Budget Appropriations:			
Operations			
Salaries and Wages	A-3	49,005,950	47,419,550
Other Expenses	A-3	73,052,580	54,361,723
Deferred Charges and Statutory Expenditures	A-3	13,946,595	13,561,971
Capital Improvements	A-3	1,700,000	1,703,000
Municipal Debt Service	A-3	2,091,935	2,109,058
County Taxes	A-21	28,413,522	27,637,014
Local District School Taxes	A-20	16,986,763	16,818,577
Prior Year Senior Citizen/Veteran Deductions Disallowed	A-9	6,653	9,428
Pilot Fees Due County	A-4	47,378	
Disallowed Grant Costs - Reserve	A-34	500,000	750,000
Refund of Prior Year Revenue	A-4	48,523	
Interfunds and Other Receivables Created	A	194,085	781,976
		<u>185,993,984</u>	<u>165,152,297</u>
Total Expenditures			
Excess in Revenues		11,725,551	8,057,113
Fund Balance, Beginning of Year	A	<u>20,015,568</u>	<u>16,498,455</u>
		31,741,119	24,555,568
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>5,321,000</u>	<u>4,540,000</u>
Fund Balance, End of Year	A	<u>\$ 26,420,119</u>	<u>\$ 20,015,568</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, 2023**

	Reference	Anticipated		Realized	Excess (Deficit)
		Budget	Added by 40A:4-87		
Fund Balance Utilized	A-1	\$ 5,321,000	-	\$ 5,321,000	-
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-15	141,000		137,474	\$ (3,526)
Other	A-15	35,000		53,194	18,194
Fees and Permits:					
Uniform Construction Code - Fees	A-15	1,100,000		1,100,000	-
Other	A-15	55,000		83,201	28,201
Fines and Costs:					
Municipal Court	A-15	1,162,000		1,176,359	14,359
Energy Receipts Tax	A-15	12,632,201		12,632,201	-
Municipal Relief Fund Aid	A-15	654,421		654,421	-
Interest and Costs on Taxes	A-15	250,000		257,358	7,358
Interest on Investments & Deposit	A-15	179,000		2,396,952	2,217,952
Downtown Merchant's Association	A-15	100,000		87,104	(12,896)
Police Record Bureau	A-15	10,000		37,759	27,759
Board of Education - Security Watch and Resource Officers	A-15	3,400,000		3,500,000	100,000
Interlocal Agreement - Passaic Parking Authority	A-10	653,000		680,450	27,450
Public and Private Revenues Offset					
With Appropriations:					
Alcohol Education and Rehab 2023	A-31		\$ 17,522	17,522	
ARP Automated License Plate Reader Initiative	A-31		148,253	148,253	
Assistance to Firefighter Grant (AFG) FY 2022	A-31		406,319	406,319	
Body Armor Grant 2022	A-31		9,148	9,148	
Byrne Memorial JAG 2022	A-31		230,839	230,839	
Byrne Memorial JAG 2023	A-31		260,492	260,492	
Childhood Lead FY2024	A-31		794,349	794,349	
Clean Communities Grant 2023	A-31		91,785	91,785	
Click It or Ticket 2023 Seat Belt Mobilization	A-31		10,500	10,500	
Community Mental Health Grant 2023	A-31		10,000	10,000	
Community Project Funding FY2022-Transformative RR Project	A-31		883,000	883,000	
COVID-19 Vaccination Supplemental FY22 Year 3	A-31		20,000	20,000	
Distracted Driving Crackdown 2023	A-31		12,250	12,250	
Drive Sober Labor Day Crackdown 2023	A-31		10,500	10,500	
Food Security Planning Grant	A-31		125,000	125,000	
HOPWA 2022	A-31		82,500	82,500	
Lead Grant Assistance Program 2023	A-31		111,400	111,400	
Lead Remediation and Abatement FY2023	A-31		480,189	480,189	
Local Recreation Improvements 2023 - Colonel Johnson Park	A-31		76,000	76,000	
Municipal Alliance FY2024	A-31		17,312	17,312	
National Opioids Settlement Funds	A-31		258,111	258,111	
National WIC Association Sub-Grant	A-31		3,089	3,089	
NJACCHO Enhancing Local Public Health Infrastructure	A-31		728,740	728,740	
NJDA Spotted Lanternfly Grant	A-31		15,000	15,000	
NJDCA FY23 Legislative Grant Parking Deck	A-31		10,000,000	10,000,000	
NJDCA FY23 Legislative Grant Pulaski Park Extension	A-31		6,000,000	6,000,000	
NJDEP Green Acres 2023-3rd Ward Memorial Park Impvts.	A-31		1,400,000	1,400,000	
NJDEP Stormwater Assistance Grant	A-31		25,000	25,000	
NJDEP Urban Parks Initiative 2023-3rd Ward Memorial Park Impvts	A-31		500,000	500,000	
NJDOT (Federal) Safe Routes to School FY2022	A-31		425,000	425,000	
NJDOT (Federal) TAPS Grant 2023-Hamilton Ave. and State St.	A-31		454,000	454,000	
NJDOT Local Aid Infrastructure Fund FY2022-Myrtle Ave.	A-31		365,000	365,000	
NJDOT Local Transportation Projects Fund FY2023-Delaware Ave., Oak, etc.	A-31		1,700,000	1,700,000	
NJDOT Municipal Aid Program FY2023	A-31		922,775	922,775	
NJDOT Safe Streets to Transit FY2023-Multi Intersection Project 16	A-31		510,000	510,000	
NJDOT Youth Corps' Urban Gateway Enhance 2023	A-31		32,000	32,000	
NPP 2023 Year 3	A-31		125,000	125,000	
NPP ARP FY2023	A-31		238,764	238,764	
Patrick Leahy Bulletproof Vest 2021	A-31		37,150	37,150	
Patrick Leahy Bulletproof Vest 2022	A-31		25,561	25,561	
Patrick Leahy Bulletproof Vest 2023	A-31		14,746	14,746	
Pedestrian Safety Grant 2023	A-31		35,000	35,000	
Public Safety Answering Point Grant FY2023	A-31		195,136	195,136	

**CITY OF PASSAIC**  
**STATEMENT OF REVENUES - STATUTORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Reference	Anticipated		Realized	Excess (Deficit)
		Budget	Added by 40A:4-87		
Recycling Tonnage Grant 2023 (FY2020)	A-31		\$ 104,958	\$ 104,958	
ROID FY23	A-31		20,000	20,000	
Ryan White 2023	A-31		146,840	146,840	
Safe and Secure 2023	A-31		48,600	48,600	
Stationhouse Adjustment 2023 - Passaic	A-31		41,091	41,091	
Stationhouse Adjustment 2023 - Regional	A-31		45,000	45,000	
Strengthening Public Health Capacity FY2024	A-31		406,046	406,046	
Summer Food 2023	A-31		149,741	149,741	
UEZ Administration 2023	A-31		283,237	283,237	
UEZ Carnie Bragg Park Phase 1	A-31		50,000	50,000	
UEZ Clean Sweep 2022-2023	A-31		522,500	522,500	
UEZ Façade and Signage 2022-2023	A-31		200,000	200,000	
UEZ Graffiti Eradication 2022-2023	A-31		98,700	98,700	
UEZ Loan Program 2022-2023	A-31		330,000	330,000	
UEZ Market St. Improvements 2022-2023	A-31		220,000	220,000	
UEZ Marketing Project 2023	A-31		150,000	150,000	
UEZ Riverwalk at Market and South St.	A-31		50,000	50,000	
USDA FY2023 Community Garden Project]	A-31		20,000	20,000	
WIC FY2023 - Additional Funds	A-31		10,351	10,351	
WIC FY2024	A-31		1,226,260	1,226,260	
COPS Hiring Grant 2023	A-31		2,000,000	2,000,000	
Drunk Driving Enforcement Fund 23-24	A-31		33,902	33,902	
UEZ 2023 Business District Surveillance Camera Project	A-31		199,748	199,748	
UEZ 2023 Business Expansion Grant Project	A-31		100,000	100,000	
Special Items:					
American Rescue Plan - Federal Funding	A-15	\$ 6,050,000		6,050,000	
Cable Franchise Fee	A-15	287,000		287,432	\$ 432
Saint Mary's Reise Corp. - In Lieu of Taxes	A-15	182,000		182,515	515
Chestnut Housing Phase I - In Lieu of Taxes	A-15	98,500		98,500	-
Jack Parker Association - In Lieu of Taxes	A-15	344,250		500,731	156,481
YMCA - In Lieu of Taxes	A-15	15,000		37,500	22,500
Highview Terrace - In Lieu of Taxes	A-15	85,000		88,361	3,361
585 Main Ave - In Lieu of Taxes	A-15	65,000		65,438	438
663 Main Ave - In Lieu of Taxes	A-15	54,000		54,009	9
Concord Estate- In Lieu of Taxes	A-15	61,000		61,253	253
Passaic Public Library - Health Benefit Contribution	A-15	170,000		205,193	35,193
Housing Authority Police Program	A-15	186,000		605,636	419,636
County of Passaic - Street Lighting	A-15	60,000		60,000	-
Payment in Lieu of Taxes - Housing Authority	A-15	199,000		212,895	13,895
Payment in Lieu of Taxes - Garden Howe	A-15	45,000		45,725	725
POD- Vehicle Fee	A-15	150,000		150,000	-
Reserve for Deferred State Aid	A-29	1,000,000		1,000,000	-
Reserve for Pension	A-27	308,338	-	308,338	-
<b>Total Miscellaneous Revenues</b>		<b>29,731,710</b>	<b>34,264,404</b>	<b>67,074,403</b>	<b>3,078,289</b>
Receipts from Delinquent Taxes	A-2	105,271	-	41,415	(63,856)
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		71,334,360		71,927,683	593,323
Minimum Library Tax		1,658,748	-	1,658,748	-
<b>Total Amount to be Raised by Taxes for Sup. of Mun. Budget</b>	A-2	<b>72,993,108</b>	<b>-</b>	<b>73,586,431</b>	<b>593,323</b>
<b>Total Budget Revenues</b>	A-3	<b>\$ 108,151,089</b>	<b>\$ 34,264,404</b>	<b>146,023,249</b>	<b>\$ 3,607,756</b>
Non-Budget Revenues	A-2			1,622,502	
				<b>\$ 147,645,751</b>	

**CITY OF PASSAIC**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(Continued)**

	<u>Reference</u>	
<b>ANALYSIS OF REALIZED REVENUES</b>		
Allocation of Current Tax Collections		
Revenue from Collections	A-12	\$ 118,336,716
Less: Reserve for Tax Appeals Pending	A-24	<u>1,000,000</u>
Revenues Realized	A-1	\$ 117,336,716
Less: Allocated to School and County Taxes	A-20,A-21	<u>45,400,285</u>
Balance for Support of Municipal Budget Appropriations		71,936,431
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,650,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 73,586,431</u>
Receipts from Delinquent Taxes		
Delinquent Tax Collections	A-12	\$ 14,936
Tax Title Liens	A-13	<u>26,479</u>
	A-1,A-2	<u>\$ 41,415</u>

Analysis of Non Budget Revenue

Recreation Fees		\$ 85,051
Recycling		96,328
Board of Health/Vital Statistics Fees		152,939
City Clerk Fees		70,311
Planning/Engineering Fees		44,304
Passaic Valley Water Commission - Hydrant Inspection		69,000
Administration Fees - Police Outside Duty		140,650
Administration Fees - Senior Citizen and Veterans/Homestead Rebate		1,012
State PBA Payment		400,765
Senior Transportation - County		60,402
PILOT - Short Term 5 Year Abatements		151,489
PILOT - IDIL 26 Jefferson St		205,176
Sale of Municipal Assets		6,000
Fire Alarms		10,406
Other Miscellaneous Receipts		<u>128,669</u>
		<u>\$ 1,622,502</u>
Cash Receipts	A-4	\$ 1,482,852
Due from Other Trust Fund	B-7	<u>139,650</u>
	A-2	<u>\$ 1,622,502</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF PASSAIC**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<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	\$ 1,099,200	\$ 1,099,200	\$ 965,781	\$ 133,419	
Other Expenses	357,850	357,850	261,980	95,870	
Human Resources					
Office of Personnel					
Salaries & Wages	263,500	263,500	226,729	36,771	
Other Expenses	17,200	17,200	14,147	3,053	
Mayor and Council					
Office of the Mayor and Council					
Salaries & Wages	349,100	349,100	325,413	23,687	
Other Expenses	217,250	217,250	189,810	27,440	
City Clerk					
Salaries & Wages	509,500	509,500	477,791	31,709	
Other Expenses	202,500	227,500	216,223	11,277	
Financial Administration - Treasurer's Office					
Salaries and Wages	482,900	482,900	481,365	1,535	
Other Expenses	169,500	169,500	91,699	77,801	
Annual Audit					
Other Expenses	84,000	84,000	84,000	-	
Revenue Administration - Tax Collector					
Salaries and Wages	332,700	332,700	300,827	31,873	
Other Expenses	46,500	46,500	40,526	5,974	
Tax Assessment Administration					
Salaries and Wages	307,600	307,600	276,655	30,945	
Other Expenses	126,925	126,925	97,978	28,947	
Legal Services					
Other Expenses	927,500	927,500	880,063	47,437	
Office of Engineer					
Salaries and Wages	218,200	218,200	163,099	55,101	
Other Expenses	359,700	359,700	294,446	65,254	
Economic Development Agencies					
Planning and Economic Development					
Salaries and Wages	98,300	98,300	37,882	60,418	
Other Expenses	20,000	20,000	1,420	18,580	
Division of Housing					
Salaries and Wages	368,800	368,800	317,118	51,682	
Other Expenses	7,100	7,100	4,626	2,474	
Redevelopment Agency	10,000	10,000	10,000	-	
LAND USE ADMINISTRATION					
Planning Board					
Other Expenses	39,200	39,200	13,806	25,394	
Board of Adjustment					
Other Expenses	19,800	19,800	9,472	10,328	
CODE ENFORCEMENT AND ADMINISTRATION					
Rent Leveling Board					
Other Expenses	15,200	15,200	-	15,200	
INSURANCE					
Liability Insurance	1,717,000	1,717,000	1,717,000	-	
Workmen's Compensation	1,925,100	1,925,100	1,925,100	-	
Employee Group Insurance	17,035,000	17,035,000	16,756,084	278,916	
Health Benefit Waiver	108,000	108,000	99,200	8,800	
Unemployment Insurance	150,000	150,000	150,000	-	

**CITY OF PASSAIC**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<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	\$ 17,411,900	\$ 17,341,900	\$ 14,829,558	\$ 2,512,342	
Salaries and Wages - ARP Funds	3,000,000	3,000,000	3,000,000	-	
Other Expenses	664,000	664,000	520,740	143,260	
BOE Security Watch and Res. Off.-Salaries & Wages	3,561,900	3,561,900	3,288,345	273,555	
Office of Emergency Management					
Salaries & Wages	52,600	52,600	42,942	9,658	
Other Expenses	10,000	10,000	4,399	5,601	
Fire Department					
Salaries and Wages	10,483,850	10,483,850	9,484,779	999,071	
Salaries and Wages - ARP Funds	2,050,000	2,050,000	2,050,000	-	
Other Expenses	251,400	251,400	243,592	7,808	
Prosecutor's Office					
Other Expenses	165,000	165,000	106,000	59,000	
Municipal Court					
Salaries and Wages	965,000	965,000	742,104	222,896	
Other Expenses	141,820	161,820	141,181	20,639	
Public Defender (PL 1997 C.256)					
Other Expenses	120,000	120,000	91,600	28,400	
Passaic Parking Authority					
Salaries & Wages	312,000	312,000	215,164	96,836	
Other Expenses	298,000	298,000	183,836	114,164	
PUBLIC WORKS FUNCTIONS					
Streets and Road Maintenance					
Salaries & Wages	2,423,700	2,423,700	2,014,851	408,849	
Other Expenses	552,300	552,300	335,009	217,291	
Solid Waste Collection					
Other Expenses	3,120,000	3,120,000	3,008,506	111,494	
Garbage Removal Contractual					
				-	
Buildings and Grounds					
Salaries and Wages	660,400	660,400	529,880	130,520	
Other Expenses	391,500	391,500	373,071	18,429	
Vehicle Maintenance					
Salaries & Wages	542,200	542,200	443,352	98,848	
Other Expenses	490,000	515,000	483,074	31,926	
HEALTH AND HUMAN SERVICES					
Public Health Services					
Division of Health					
Salaries and Wages	953,900	953,900	825,618	128,282	
Other Expenses	262,700	262,700	207,135	55,565	
Animal Regulation					
Salaries and Wages	224,500	224,500	176,087	48,413	
Other Expenses	33,500	33,500	24,029	9,471	

**CITY OF PASSAIC**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<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	\$ 677,600	\$ 677,600	\$ 488,347	\$ 189,253	
Other Expenses	189,700	189,700	178,005	11,695	
Senior Citizens					
Salaries and Wages	265,700	265,700	197,276	68,424	
Other Expenses	12,000	12,000	10,340	1,660	
Handicapped Recreation					
Salaries & Wages	239,000	239,000	169,926	69,074	
Other Expenses	21,200	21,200	16,805	4,395	
Maintenance of Parks					
Salaries & Wages	493,900	493,900	451,983	41,917	
Other Expenses	176,700	176,700	140,345	36,355	
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	728,000	728,000	665,566	62,434	
Other Expenses	151,200	151,200	135,929	15,271	
UNCLASSIFIED:					
Utilities:					
Electricity	700,000	700,000	528,978	171,022	
Street Lighting	785,000	785,000	593,052	191,948	
Telephone and Telegraph	258,000	258,000	179,864	78,136	
Gasoline	500,000	500,000	389,876	110,124	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Tipping Fees	<u>2,635,000</u>	<u>2,635,000</u>	<u>2,597,017</u>	<u>37,983</u>	<u>-</u>
Total Operations Within "CAPS"	<u>85,110,295</u>	<u>85,110,295</u>	<u>77,088,401</u>	<u>8,021,894</u>	<u>-</u>
Detail:					
Salaries & Wages	49,075,950	49,005,950	43,188,438	5,817,512	-
Other Expenses	<u>36,034,345</u>	<u>36,104,345</u>	<u>33,899,963</u>	<u>2,204,382</u>	<u>-</u>
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
DEFERRED CHARGES					
Anticipated Deficit in Sewer Utility Operations	1,480,345	1,480,345	512,977	-	\$ 967,368
STATUTORY CHARGES					
Public Employees Retirement System	1,891,767	1,891,767	1,891,767	-	
Social Security System (O.A.S.I.)	1,700,000	1,700,000	1,493,339	206,661	
Police and Fireman's Retirement System	9,611,051	9,611,051	9,611,050	1	
Deferred Compensation Retirement Plan	<u>70,000</u>	<u>70,000</u>	<u>49,802</u>	<u>20,198</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>14,753,163</u>	<u>14,753,163</u>	<u>13,558,935</u>	<u>226,860</u>	<u>967,368</u>

**CITY OF PASSAIC**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<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>	
Total General Appropriations for Municipal Purposes Within "CAPS"	\$ 99,863,458	\$ 99,863,458	\$ 90,647,336	\$ 8,248,754	\$ 967,368
OPERATIONS - EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library	1,658,748	1,658,748	1,658,748	-	-
Recycling Tax	130,000	130,000	130,000	-	-
Workmen's Compensation	34,900	34,900	34,900	-	-
Police and Firemen's Retirement System of NJ	726,186	726,186	726,186	-	-
Public Employees Retirement System of NJ	98,997	98,997	98,997	-	-
Total Other Operations - Excluded From "CAPS"	2,648,831	2,648,831	2,648,831	-	-
Public and Private Programs Offset by Revenues					
Matching Funds for Grants	35,000	35,000	-	35,000	-
Alcohol Education and Rehab 2023		17,522	17,522	-	-
ARP Automated License Plate Reader Initiative		148,253	148,253	-	-
Assistance to Firefighter Grant (AFG) FY 2022		406,319	406,319	-	-
Body Armor Grant 2022		9,148	9,148	-	-
Byrne Memorial JAG 2022		230,839	230,839	-	-
Byrne Memorial JAG 2023		260,492	260,492	-	-
Childhood Lead FY2024		794,349	794,349	-	-
Clean Communities Grant 2023		91,785	91,785	-	-
Click It or Ticket 2023 Seat Belt Mobilization		10,500	10,500	-	-
Community Mental Health Grant 2023		10,000	10,000	-	-
Community Project Funding FY2022-Transformative RR Project		883,000	883,000	-	-
COVID-19 Vaccination Supplemental FY22 Year 3		20,000	20,000	-	-
Distracted Driving Crackdown 2023		12,250	12,250	-	-
Drive Sober Labor Day Crackdown 2023		10,500	10,500	-	-
Food Security Planning Grant		125,000	125,000	-	-
HOPWA 2022		82,500	82,500	-	-
Lead Grant Assistance Program 2023		111,400	111,400	-	-
Lead Remediation and Abatement FY2023		480,189	480,189	-	-
Local Recreation Improvements 2023-Colonel Johnson Park		76,000	76,000	-	-
Municipal Alliance FY2024		17,312	17,312	-	-
National Opioids Settlement Funds		258,111	258,111	-	-
National WIC Association Sub-Grant		3,089	3,089	-	-
NJACCHO Enhancing Local Public Health Infrastructure		728,740	728,740	-	-
NJDA Spotted Lanternfly Grant		15,000	15,000	-	-
NJDCA FY23 Legislative Grant Parking Deck		10,000,000	10,000,000	-	-
NJDCA FY23 Legislative Grant Pulaski Park Extension		6,000,000	6,000,000	-	-
NJDEP Green Acres 2023-3rd Ward Memorial Park Impvts.		1,400,000	1,400,000	-	-
NJDEP Stormwater Assistance Grant		25,000	25,000	-	-
NJDEP Urban Parks Initiative 2023 - 3rd Ward Memorial Park Impvts.		500,000	500,000	-	-
NJDOT (Federal) Safe Routes to School FY2022		425,000	425,000	-	-
NJDOT (Federal) TAPS Grant 2023-Hamilton Ave. and State St.		454,000	454,000	-	-
NJDOT Local Aid Infrastructure Fund FY2022-Myrtle Ave.		365,000	365,000	-	-
NJDOT Local Transportation Projects Fund FY2023-Delaware Ave., Oak, etc.		1,700,000	1,700,000	-	-
NJDOT Municipal Aid Program FY2023		922,775	922,775	-	-
NJDOT Safe Streets to Transit FY2023-Multi Intersection P16		510,000	510,000	-	-
NJDOT Youth Corps' Urban Gateway Enhance 2023		32,000	32,000	-	-
NPP 2023 Year 3		125,000	125,000	-	-
NPP ARP FY2023		238,764	238,764	-	-
Patrick Leahy Bulletproof Vest 2021		37,150	37,150	-	-
Patrick Leahy Bulletproof Vest 2022		25,561	25,561	-	-
Patrick Leahy Bulletproof Vest 2023		14,746	14,746	-	-
Pedestrian Safety Grant 2023		35,000	35,000	-	-
Public Safety Answering Point Grant FY2023		195,136	195,136	-	-
Recycling Tonnage Grant 2023 (FY2020)		104,958	104,958	-	-
ROID FY23		20,000	20,000	-	-
Ryan White 2023		146,840	146,840	-	-
Safe and Secure 2023		48,600	48,600	-	-
Stationhouse Adjustment 2023 - Passaic		41,091	41,091	-	-

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF PASSAIC  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<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>	
Stationhouse Adjustment 2023 - Regional		\$ 45,000	\$ 45,000	-	
Strengthening Public Health Capacity FY2024		406,046	406,046	-	
Summer Food 2023		149,741	149,741	-	
UEZ Administration 2023		283,237	283,237	-	
UEZ Carnie Bragg Park Phase 1		50,000	50,000	-	
UEZ Clean Sweep 2022-2023		522,500	522,500	-	
UEZ Façade and Signage 2022-2023		200,000	200,000	-	
UEZ Graffiti Eradication 2022-2023		98,700	98,700	-	
UEZ Loan Program 2022-2023		330,000	330,000	-	
UEZ Market St. Improvements 2022-2023		220,000	220,000	-	
UEZ Marketing Project 2023		150,000	150,000	-	
UEZ Riverwalk at Market and South St.		50,000	50,000	-	
USDA FY2023 Community Garden Project]		20,000	20,000	-	
WIC FY2023 - Additional Funds		10,351	10,351	-	
WIC FY2024		1,226,260	1,226,260	-	
COPS Hiring Grant 2023		2,000,000	2,000,000	-	
Drunk Driving Enforcement Fund 23-24		33,902	33,902	-	
UEZ 2023 Business District Surveillance Camera Project		199,748	199,748	-	
UEZ 2023 Business Expansion Grant Project		100,000	100,000	-	
		<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Total Public and Private Program					
Offset by Revenues	<u>35,000</u>	<u>34,299,404</u>	<u>34,264,404</u>	<u>35,000</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	<u>2,683,831</u>	<u>36,948,235</u>	<u>36,913,235</u>	<u>35,000</u>	<u>-</u>
Detail:					
Other Expenses	<u>2,683,831</u>	<u>36,948,235</u>	<u>36,913,235</u>	<u>35,000</u>	<u>-</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 250,000	250,000	250,000		
Parks/Roads Improvement	450,000	450,000	5,400	\$ 444,600	
Parking Lots	500,000	500,000	463,700	36,300	-
Public Works Equipment	500,000	500,000	473,929	26,071	-
	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,193,029</u>	<u>506,971</u>	<u>-</u>
Total Capital Improvements - Excluded from "CAPS"	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,193,029</u>	<u>506,971</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,580,000	1,580,000	1,580,000		
Interest on Bonds	440,000	440,000	439,730		\$ 270
Interest on Notes				-	
Payment of Loan Principal and Interest	<u>73,000</u>	<u>73,000</u>	<u>72,205</u>	<u>-</u>	<u>795</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>2,093,000</u>	<u>2,093,000</u>	<u>2,091,935</u>	<u>-</u>	<u>1,065</u>
DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"					
Special Emergency Authorization - 5 Years	<u>160,800</u>	<u>160,800</u>	<u>160,800</u>	<u>-</u>	<u>-</u>
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>6,637,631</u>	<u>40,902,035</u>	<u>40,358,999</u>	<u>541,971</u>	<u>1,065</u>
Subtotal General Appropriations	106,501,089	140,765,493	131,006,335	8,790,725	968,433
Reserve for Uncollected Taxes	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,650,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 108,151,089</u>	<u>\$ 142,415,493</u>	<u>\$ 132,656,335</u>	<u>\$ 8,790,725</u>	<u>\$ 968,433</u>
	A-2		A-1	A,A-1	

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF PASSAIC  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget	A-3	\$ 108,151,089	
Appropriation by 40A:4-87	A-2	<u>34,264,404</u>	
		<u>\$ 142,415,493</u>	
Cash Disbursed	A-4		\$ 87,925,465
Encumbrances Payable	A-22		3,250,451
Due to Passaic Redevelopment Authority	A-11		10,000
Due to Animal Control Fund	B-4		754
Due to Other Trust Fund	B-7		4,630,638
Due to Grant Fund - Appropriated Grants	A-32		34,264,404
Due to Grant Fund	A-8		846
Due to General Capital Fund	C-4		250,000
Due to Sewer Utility Operating Fund	D-11		512,977
Deferred Charges - Special Emergency Authorization	A-16		160,800
Reserve for Uncollected Taxes	A-2		<u>1,650,000</u>
			<u>\$ 132,656,335</u>

CITY OF PASSAIC  
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
 TRUST FUNDS  
 AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-1	\$ 8,013	\$ 24,180
Due from Current Fund	B-4	<u>6,357</u>	<u>4,022</u>
		<u>14,370</u>	<u>28,202</u>
OTHER TRUST FUND			
Cash	B-1	12,356,578	17,398,566
Cash - Change Fund	B-6	200	200
Due from Current Fund	B-7	11,871,456	8,884,175
Due from Grant Fund	B-8	<u>2,391,614</u>	<u>1,472,931</u>
		<u>26,619,848</u>	<u>27,755,872</u>
COMMUNITY DEVELOPMENT BLOCK GRANT FUND			
Cash	B-1	1,062,467	1,019,654
Due from HUD	B-10	3,578,920	3,196,166
Other Receivables	B-13	<u>155,454</u>	<u>155,454</u>
		<u>4,796,841</u>	<u>4,371,274</u>
HOME INVESTMENT PROGRAM FUND			
Cash	B-1	657,858	410,673
Due from HUD	B-12	8,159,671	7,941,096
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>94,562</u>	<u>93,662</u>
		<u>9,534,364</u>	<u>9,067,704</u>
Total Assets		<u>\$ 40,965,423</u>	<u>\$ 41,223,052</u>

**CITY OF PASSAIC**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL FUND</b>			
Encumbrances Payable	B-5	\$ 2,715	\$ 9,855
Due State of New Jersey	B-2	203	212
Reserve for Animal Control Expenditures	B-3	<u>11,452</u>	<u>18,135</u>
		<u>14,370</u>	<u>28,202</u>
<b>OTHER TRUST FUND</b>			
Miscellaneous Reserves and Deposits	B-9	<u>26,619,848</u>	<u>27,755,872</u>
		<u>26,619,848</u>	<u>27,755,872</u>
<b>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</b>			
Due to Current Fund	B-16	935,555	881,418
Due to Grant Fund	B-17	94,505	94,505
Due to Home Investment Program Fund	B-19	94,562	93,662
Reserve for Program Expenditures - UDAG	B-15	8,122	8,122
Reserve for Program Expenditures - CDBG	B-11	<u>3,664,097</u>	<u>3,293,567</u>
		<u>4,796,841</u>	<u>4,371,274</u>
<b>HOME INVESTMENT PROGRAM FUND</b>			
Due to Current Fund	B-20	771,749	526,405
Reserve for Mortgage Receivable	B-14	455,237	455,237
Reserve for Home Investment Program	B-21	<u>8,307,378</u>	<u>8,086,062</u>
		<u>9,534,364</u>	<u>9,067,704</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 40,965,423</u>	<u>\$ 41,223,052</u>

**CITY OF PASSAIC  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL CAPITAL FUND  
AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 1,577,150	\$ 2,085,840
Due from Current Fund	C-4	1,312,750	879,637
Deferred Charges to Future Taxation			
Funded	C-5	15,852,611	17,491,695
Unfunded	C-6	<u>2,075</u>	<u>2,075</u>
 Total Assets		 <u>\$ 18,744,586</u>	 <u>\$ 20,459,247</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-10	\$ 15,241,000	\$ 16,821,000
Green Acres Loans	C-11	611,611	670,695
Improvement Authorizations			
Funded	C-9	602,103	565,373
Encumbrances Payable	C-8	11,810	559,040
Capital Improvement Fund	C-7	1,214,806	964,806
Reserve for Road, Park and Sewer Improvements	C-12	647,542	462,619
Reserve for Sale of Property	C-13	100,000	100,000
Fund Balance	C-1	<u>315,714</u>	<u>315,714</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 18,744,586</u>	 <u>\$ 20,459,247</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2023 and December 31, 2022 of \$2,075 and \$2,075, respectively, (See Exhibit C-14).

**CITY OF PASSAIC**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Balance, December 31, 2022	C	\$ <u>315,714</u>	\$ <u>315,714</u>
Balance, December 31, 2023	C	\$ <u>315,714</u>	\$ <u>315,714</u>

**CITY OF PASSAIC  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
SEWER UTILITY FUND  
AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	D-4	\$ 2,213,596	\$ 1,456,340
Due from Sewer Utility Capital Fund	D-12	<u>57</u>	<u>51</u>
		<u>2,213,653</u>	<u>1,456,391</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	1,227,670	1,447,299
Other Accounts Receivable	D-7	<u>6,246</u>	<u>9,325</u>
		<u>1,233,916</u>	<u>1,456,624</u>
Deferred Charges			
Special Emergency Authorization	D-8	292,800	390,400
Operating Deficit	D-8	<u>-</u>	<u>417,745</u>
		<u>292,800</u>	<u>808,145</u>
Total Operating Fund		<u>3,740,369</u>	<u>3,721,160</u>
<b>CAPITAL FUND</b>			
Cash	D-4,D-5	6,617	6,611
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>5,930,357</u>	<u>5,930,351</u>
		<u>\$ 9,670,726</u>	<u>\$ 9,651,511</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Liabilities			
Appropriation Reserves	D-3,D-16	\$ 41,918	\$ 11,851
Encumbrances Payable	D-13	87,083	1,001
Prepaid Rents	D-14	234,113	
Accrued Interest on Bonds	D-15	3,983	5,682
Due to Current Fund	D-11	<u>2,051,407</u>	<u>2,158,053</u>
		<u>2,418,504</u>	<u>2,176,587</u>
Reserve for Receivables	D	1,233,916	1,456,624
Fund Balance	D-1	<u>87,949</u>	<u>87,949</u>
Total Operating Fund		<u>3,740,369</u>	<u>3,721,160</u>
<b>CAPITAL FUND</b>			
Serial Bonds	D-20	576,000	696,000
Due to Sewer Utility Operating Fund	D-12	57	51
Improvement Authorizations			
Funded	D-17	35,766	35,766
Reserve for Amortization	D-18	5,267,974	5,147,974
Reserve for Deferred Amortization	D-19	35,766	35,766
Reserve for Payment of Debt	D-21	<u>14,794</u>	<u>14,794</u>
Total Capital Fund		<u>5,930,357</u>	<u>5,930,351</u>
		<u>\$ 9,670,726</u>	<u>\$ 9,651,511</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2023 and December 31, 2022 of \$44,000 and \$44,000, respectively, (See Exhibit D-22).

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  
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
REVENUES AND OTHER INCOME REALIZED			
Sewer Rents	D-2	\$ 7,173,434	\$ 6,183,918
Non-Budget Revenues	D-2	<u>9,714</u>	<u>11,866</u>
Total Income		<u>7,183,148</u>	<u>6,195,784</u>
EXPENDITURES			
Operating	D-3	7,039,000	6,540,000
Debt Service	D-3	141,780	146,580
Deferred Charges	D-3	<u>515,345</u>	<u>444,286</u>
Total Expenditures		<u>7,696,125</u>	<u>7,130,866</u>
Excess/(Deficit) in Revenues		(512,977)	(935,082)
Adjustment to Income Before Fund Balance			
Realized from General Budget for Anticipated Deficit	D-2	<u>512,977</u>	<u>517,337</u>
Operating Deficit to be Raised in Budget of Succeeding Year	D-8		<u>417,745</u>
Statutory Excess to Fund Balance		-	-
Fund Balance, Beginning of Year,	D	<u>87,949</u>	<u>87,949</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, 2023**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Sewer Rents and Charges	D-1	\$ 6,218,000	\$ 7,173,434	\$ 955,434
Deficit (General Budget)	D-1	<u>1,480,345</u>	<u>512,977</u>	<u>(967,368)</u>
Total Budget Revenues	D-3	<u>\$ 7,698,345</u>	7,686,411	<u>\$ (11,934)</u>
Non-Budget Revenues	D-2		<u>9,714</u>	
			<u>\$ 7,696,125</u>	
Analysis of Revenue Realized:				
Sewer Rents and Charges:				
Consumer Accounts Receivable Collections	D-6		\$ 7,067,106	
Other Accounts Receivable Collections	D-7		<u>106,328</u>	
			<u>\$ 7,173,434</u>	
Non-Budget Revenue:				
Prior Year Reimbursements			\$ 9,708	
Interest Earned			<u>6</u>	
			<u>\$ 9,714</u>	
Due from Sewer Utility Capital Fund	D-12		\$ 6	
Cash Receipts	D-4		<u>9,708</u>	
			<u>\$ 9,714</u>	

**CITY OF PASSAIC**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**SEWER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATING</b>					
Other Expenses	\$ 125,000	\$ 125,000	\$ 89,120	\$ 35,880	
Sewer Treatment Expenses	5,964,000	5,964,000	5,957,962	6,038	
Sewer Maintenance Fee - Contractual	<u>950,000</u>	<u>950,000</u>	<u>950,000</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>7,039,000</u>	<u>7,039,000</u>	<u>6,997,082</u>	<u>41,918</u>	<u>-</u>
<b>DEBT SERVICE</b>					
Payment of Bond Principal	120,000	120,000	120,000		
Interest on Bonds	<u>24,000</u>	<u>24,000</u>	<u>21,780</u>	<u>-</u>	<u>\$ 2,220</u>
<b>Total Debt Service</b>	<u>144,000</u>	<u>144,000</u>	<u>141,780</u>	<u>-</u>	<u>2,220</u>
<b>DEFERRED CHARGES</b>					
Special Emergency Authorization - 5 Years	97,600	97,600	97,600		
Deficit in Operations in Prior Years	<u>417,745</u>	<u>417,745</u>	<u>417,745</u>	<u>-</u>	<u>-</u>
<b>Total Deferred Charges</b>	<u>515,345</u>	<u>515,345</u>	<u>515,345</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,698,345</u>	<u>\$ 7,698,345</u>	<u>\$ 7,654,207</u>	<u>\$ 41,918</u>	<u>\$ 2,220</u>

	<u>Reference</u>	D-2	D-3	D-1	D,D-1
Disbursed				\$ 6,904,317	
Encumbrances Payable				87,083	
Due to Current Fund				143,479	
Accrued Interest on Bonds				3,983	
Deferred Charges					
Special Emergency Authorization				97,600	
Operating Deficit				<u>417,745</u>	
				<u>\$ 7,654,207</u>	

CITY OF PASSAIC  
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
 GENERAL FIXED ASSETS ACCOUNT GROUP  
 AS OF DECEMBER 31, 2023 AND 2022

	December 31, <u>2023</u>	December 31, <u>2022</u>
<b>ASSETS</b>		
Land	\$ 47,610,504	\$ 47,610,504
Land Improvements	2,187,410	761,356
Buildings and Building Improvements	22,324,957	18,117,732
Machinery and Equipment	5,474,903	5,245,984
Vehicles	<u>5,532,635</u>	<u>4,511,766</u>
	<u>\$ 83,130,409</u>	<u>\$ 76,247,342</u>
 <b>LIABILITIES</b>		
Investments in General Fixed Assets	<u>\$ 83,130,409</u>	<u>\$ 76,247,342</u>

**NOTES TO FINANCIAL STATEMENTS**

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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 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, 2023 AND 2022

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.

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, 2022 balances to conform to the December 31, 2023 presentation.

CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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.

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

CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

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.

CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

**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 proprietary funds and 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 proprietary funds and government-wide financial statements.

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

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

**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 its 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 proprietary funds and government-wide financial statements.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

**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 proprietary funds and 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 acquired under capital financing agreements are capitalized at their acquisition cost. Intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs) 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 funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

GAAP requires that capital assets, including intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs), 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 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.

CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

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 Current Fund 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 2023 and 2022 the City Council increased the original budget by \$34,264,404 and \$17,231,120. The increases were funded by additional aid allotted to the City. In addition, the governing body approved several budget transfers during 2023 and 2022.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022, the book value of the City's deposits were \$91,683,142 and \$95,200,331 and bank and brokerage firm balances of the City's deposits amounted to \$92,673,997 and \$96,021,733, 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>2023</u>	<u>2022</u>
Insured	\$ 89,365,141	\$ 90,508,329
Uninsured and Collateralized	<u>3,308,856</u>	<u>5,513,404</u>
	<u>\$ 92,673,997</u>	<u>\$ 96,021,733</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, 2023 and 2022, the City’s bank balances of \$3,308,856 and \$5,513,404 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the City's name	<u>\$ 3,308,856</u>	<u>\$ 5,513,404</u>
	<u>\$ 3,308,856</u>	<u>\$ 5,513,404</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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 Local Government Services in the Department of Community Affairs 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. 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, 2023 and 2022 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 Utility Capital Fund is assigned to the Utility Operating Fund in accordance with the regulatory basis of accounting.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE (Modify if no utility)**

Receivables at December 31, 2023 consisted of the following:

	<u>Current</u>	<u>Utility Sewer</u>	<u>Total</u>
<b><u>2023</u></b>			
Property Taxes	\$ 154,903		\$ 154,903
Tax Title Liens	141,785		141,785
Utility Rents and Fees	<u>-</u>	<u>\$ 1,233,916</u>	<u>1,233,916</u>
	<u>\$ 296,688</u>	<u>\$ 1,233,916</u>	<u>\$ 1,530,604</u>

In 2023, the City collected \$41,415 and \$1,456,624 from delinquent taxes and utility charges and fees, which represented 16% and 100% of the delinquent tax and sewer charges receivable at December 31, 2022.

Receivables at December 31, 2022 consisted of the following:

	<u>Current</u>	<u>Utility Sewer</u>	<u>Total</u>
<b><u>2022</u></b>			
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.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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>2023</u>		<u>2022</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund:				
Regular	\$ 3,758,711	\$ 15,290,331	\$ 3,565,876	\$ 19,413,071
Grant	2,194,273	2,558,650	9,739,742	1,639,967
Trust Fund:				
Animal Control	6,357		4,022	
Other Trust	14,263,070		10,357,106	
Community Development		1,124,622		1,069,585
Home Investment Program	261,598	771,749	260,698	526,405
General Capital Fund	1,312,750		879,637	
Sewer Utility Fund:				
Operating	57	2,051,407	51	2,158,053
Capital	-	57	-	51
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u>\$ 21,796,816</u>	<u>\$ 21,796,816</u>	<u>\$ 24,807,132</u>	<u>\$ 24,807,132</u>

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

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

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

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

	Balance <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	<u>Balance</u>
<u>2023</u>			
Current Fund			
Special Emergency Authorization	<u>\$ 482,400</u>	<u>\$ 160,800</u>	<u>\$ 321,600</u>
Sewer Utility			
Special Emergency Authorization	<u>\$ 292,800</u>	<u>\$ 97,600</u>	<u>\$ 195,200</u>
<u>2022</u>			
Current Fund			
Special Emergency Authorization	<u>\$ 643,200</u>	<u>\$ 160,800</u>	<u>\$ 482,400</u>
Sewer Utility			
Special Emergency Authorization	<u>\$ 390,400</u>	<u>\$ 97,600</u>	<u>\$ 292,800</u>
Operating Deficit	<u>417,745</u>	<u>417,745</u>	<u>-</u>
	<u>\$ 808,145</u>	<u>\$ 515,345</u>	<u>\$ 292,800</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 7 FUND BALANCES APPROPRIATED**

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

	<u>2023 (A)</u>		<u>2022</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	\$ 25,889,485	\$ 6,114,601	\$ 19,324,634	\$ 5,321,000
Non-Cash Surplus	<u>530,634</u>	<u>-</u>	<u>690,934</u>	<u>-</u>
	<u>\$ 26,420,119</u>	<u>\$ 6,114,601</u>	<u>\$ 20,015,568</u>	<u>\$ 5,321,000</u>
Sewer Utility Operating Fund				
Cash Surplus				
Non-Cash Surplus	<u>\$ 87,949</u>	<u>-</u>	<u>\$ 87,949</u>	<u>-</u>
	<u>\$ 87,949</u>	<u>\$ -</u>	<u>\$ 87,949</u>	<u>\$ -</u>

(A) The above fund balance amounts appropriated represent the surplus anticipated in the 2024 introduced municipal budget. The 2024 municipal budget has not been legally adopted as of the date of audit.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022.

	Balance December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<b><u>2023</u></b>				
Land	\$ 47,610,504			\$ 47,610,504
Land Improvements	761,356	\$ 1,426,054		2,187,410
Buildings and Building Improvements	18,117,732	4,207,225		22,324,957
Machinery and Equipment	5,245,984	228,919		5,474,903
Vehicles	<u>4,511,766</u>	<u>1,020,869</u>	<u>\$ -</u>	<u>5,532,635</u>
	<u>\$ 76,247,342</u>	<u>\$ 6,883,067</u>	<u>\$ -</u>	<u>\$ 83,130,409</u>
	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<b><u>2022</u></b>				
Land	\$ 47,610,504			\$ 47,610,504
Land Improvements	761,356			761,356
Buildings and Building Improvements	18,117,732			18,117,732
Machinery and Equipment	4,991,940	\$ 254,044		5,245,984
Vehicles	<u>4,141,265</u>	<u>398,908</u>	<u>\$ 28,407</u>	<u>4,511,766</u>
	<u>\$ 75,622,797</u>	<u>\$ 652,952</u>	<u>\$ 28,407</u>	<u>\$ 76,247,342</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 8 FIXED ASSETS (Continued)**

**B. Sewer Utility Fund Fixed Assets**

The following is a summary of changes in the utility fund fixed assets for the years ended December 31, 2023 and 2022.

<b>Sewer Utility Fund</b>	Balance December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<b><u>2023</u></b>				
Fixed Capital				
System and System Improvements	\$ 5,577,974			\$ 5,577,974
Vehicles and Equipment	<u>310,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>310,000</u>
	<u>\$ 5,887,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,887,974</u>
<b>Sewer Utility Fund</b>	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<b><u>2022</u></b>				
Fixed Capital				
System and System Improvements	\$ 5,577,974			\$ 5,577,974
Vehicles and Equipment	<u>310,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>310,000</u>
	<u>\$ 5,887,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,887,974</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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>2022</u>
Issued		
General		
Bonds and Loans	\$ 15,852,611	\$ 17,491,695
Sewer Utility		
Bonds	<u>576,000</u>	<u>696,000</u>
	16,428,611	18,187,695
Less Funds Temporarily Held to Pay Bonds and Notes	<u>(14,794)</u>	<u>(14,794)</u>
Net Debt Issued	16,413,817	18,172,901
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>\$ 16,459,892</u>	<u>\$ 18,218,976</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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 .33% and .41% at December 31, 2023 and 2022, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2023</u></b>			
General Debt	\$ 15,854,686		\$ 15,854,686
Sewer Utility Debt	<u>620,000</u>	<u>\$ 14,794</u>	<u>605,206</u>
Total	<u>\$ 16,474,686</u>	<u>\$ 14,794</u>	<u>\$ 16,459,892</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2022</u></b>			
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>

**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>2023</u>	<u>2022</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 170,309,777	\$ 155,744,779
Less: Net Debt	<u>16,459,892</u>	<u>18,218,976</u>
Remaining Borrowing Power	<u>\$ 153,849,885</u>	<u>\$ 137,525,803</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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>2023</u>	<u>2022</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%	\$ 5,081,000	\$ 5,681,000
\$3,775,000 2020 General Obligation Refunding Bonds, due in annual installments of \$605,000 to \$645,000 through August 1, 2026, interest rate at 5.00%	1,920,000	2,525,000
\$8,916,000 2021 General Obligation Bonds, due in annual installments of \$375,000 to \$600,000 through August 15, 2038, interest rate at 2.00%	<u>8,240,000</u>	<u>8,615,000</u>
	<u>\$ 15,241,000</u>	<u>\$ 16,821,000</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, 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>2023</u>	<u>2022</u>
\$200,000, 2006 Loan, due in semi-annual installments of \$5,800 to 6,157 through March, 2026, interest at 2%	\$ 30,180	\$ 41,838
\$100,000, 2008 Loan, due in semi-annual installments of \$2,843 to \$3,078 through June, 2027, interest at 2%	20,919	26,633

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 MUNICIPAL DEBT (Continued)**

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

**General Intergovernmental Loans Payable (Continued)**

	<u>2023</u>	<u>2022</u>
\$21,000, 2009 Loan, due in semi-annual installments of \$585 to \$646 through June, 2028, interest at 2%	\$ 5,593	\$ 6,769
\$250,000, 2018 Loan, due in semi-annual installments of \$6,724 to \$8,624 through September, 2035, interest at 2%	185,030	198,546
\$499,770, 2018 Loan, due in semi-annual installments of \$13,443 to \$17,240 through September, 2035, interest at 2%	<u>369,889</u>	<u>396,909</u>
	<u>\$ 611,611</u>	<u>\$ 670,695</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>2023</u>	<u>2022</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%	\$ 406,000	\$ 446,000
\$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>170,000</u>	<u>250,000</u>
	<u>\$ 576,000</u>	<u>\$ 696,000</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2023 is as follows:

Calendar Year	General						Total
	Bonds		Loans		Sewer Utility		
	Principal	Interest	Principal	Interest	Principal	Interest	
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	1,625,000	178,230	45,424	7,473	80,000	3,480	1,939,607
2029-2033	4,021,000	494,815	237,755	23,464	76,000	1,140	4,854,174
2034-2038	3,000,000	180,000	101,927	2,561	-	-	3,284,488
	<u>\$ 15,241,000</u>	<u>\$ 2,087,840</u>	<u>\$ 611,611</u>	<u>\$ 74,048</u>	<u>\$ 576,000</u>	<u>\$ 50,540</u>	<u>\$ 18,641,039</u>

**Changes in Long-Term Municipal Debt**

The City's long-term capital debt activity for the years ended December 31, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<b><u>2023</u></b>					
General Capital Fund					
Serial Bonds	\$ 16,821,000	-	\$ 1,580,000	\$ 15,241,000	\$ 1,635,000
Green Acres Loan Payable	<u>670,695</u>	<u>-</u>	<u>59,084</u>	<u>611,611</u>	<u>60,272</u>
General Capital Fund Long-Term Liabilities	<u>\$ 17,491,695</u>	<u>\$ -</u>	<u>\$ 1,639,084</u>	<u>\$ 15,852,611</u>	<u>\$ 1,695,272</u>
Sewer Utility Capital					
Serial Bonds	\$ 696,000	-	\$ 120,000	\$ 576,000	\$ 130,000
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 696,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 576,000</u>	<u>\$ 130,000</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

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

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One year</u>
<b><u>2022</u></b>					
General Capital					
Serial Bonds	\$ 18,322,000		\$ 1,501,000	\$ 16,821,000	\$ 1,580,000
Green Acres Loan Payable	780,940	-	110,245	670,695	59,084
	<u>19,102,940</u>	<u>-</u>	<u>1,611,245</u>	<u>17,491,695</u>	<u>1,639,084</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>\$ 1,639,084</u>
Sewer Utility Capital					
Serial Bonds	\$ 816,000	-	120,000	696,000	120,000
	<u>816,000</u>	<u>-</u>	<u>120,000</u>	<u>696,000</u>	<u>120,000</u>
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>

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

<u>Project/Purpose</u>	<u>Construction / Other Commitment</u>	<u>Estimated Date of Acquisition/ Completion</u>
<b><u>2023</u></b>		
Two Way Radio System	\$ 172,200	2024
Upgrade Police Department Radio Room	195,136	2024
Sanitary and Storm Sewer Improvements	590,015	2024
2024 Isuzu Model NRR	158,382	2024
2 - 2024 GMC Trucks	210,506	2024
Health Department Computer Upgrades	201,626	2024
6 - Message Boards	322,078	2024
2 - 2024 16 Passenger Vans w/ Wheel Accessibility	243,234	2024
Columbia Ave and Jefferson St Improvements	330,053	2024
Municipal Parking Lot Repaving	133,647	2024

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

<u>Project/Purpose</u>	<u>Construction / Other Commitment</u>	<u>Estimated Date of Acquisition/ Completion</u>
<u>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

**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 \$6,089,365 and \$6,151,782 at December 31, 2023 and 2022, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2023 and 2022, the City has reserved in the Other Trust Fund \$6,138,164 and \$5,939,930, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

**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, 2023 and 2022 is \$1,293,240 and \$1,679,929, respectively.

During the years ended December 31, 2023, 2022 and 2021 the City was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

Years Ended <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2023	\$ 66,371	\$ 437,913
2022	68,984	455,102
2021	67,638	446,735

**C. Deferred Pension Obligation**

**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, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<b><u>2023</u></b>					
Compensated Absences	\$ 6,151,782	\$ 1,189,349	\$ 1,251,766	\$ 6,089,365	
Deferred Pension Obligation	1,679,929	117,595	504,284	1,293,240	\$ 511,280
Net Pension Liability - PERS (1)	23,029,844			23,029,844	
Net Pension Liability - PFRS (1)	87,125,369			87,125,369	
Net OPEB Liability (1)	<u>142,718,174</u>	<u>-</u>	<u>-</u>	<u>142,718,174</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 260,705,098</u>	<u>\$ 1,306,944</u>	<u>\$ 1,756,050</u>	<u>\$ 260,255,992</u>	<u>\$ 511,280</u>

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

CITY OF PASSAIC  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

C. Deferred Pension Obligation (Continued)

Changes in Other Long-Term Liabilities (Continued)

	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	17,791,352	7,162,885	1,924,393	23,029,844	
Net Pension Liability - PFRS	55,382,792	41,641,901	9,899,324	87,125,369	
Net OPEB Liability	158,939,148	-	16,220,974	142,718,174	-
Total Other Long-Term Liabilities	<u>\$ 240,307,335</u>	<u>\$ 49,729,645</u>	<u>\$ 29,331,882</u>	<u>\$ 260,705,098</u>	<u>\$ 504,284</u>

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.

**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](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
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

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

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](http://www.state.nj.us/treasury/pensions).

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS 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.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

**Other Pension Funds**

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

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

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

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

**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.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2023 was not available and for June 30, 2022 is \$13.5 billion, and the plan fiduciary net position as a percentage of the total pension liability is 68.33% at June 30, 2022. The collective net pension liability of the participating employers for local PFRS at June 30, 2023 was not available and for June 30, 2022 is 15.2 billion and the plan fiduciary net position as a percentage of total pension liability is 62.91% at June 30, 2022.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

**Actuarial Methods and Assumptions**

In the July 1, 2021 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2023 and 2022 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, 2023 and 2022 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 2023, 2022 and 2021 were equal to the required contributions.

During the years ended December 31, 2023, 2022 and 2021 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>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2023	\$ 9,899,324	\$ 1,924,393	\$ 49,802
2022	8,830,938	1,758,810	40,080
2021	8,642,642	1,640,287	48,918

**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, 2023 for the measurement date of June 30, 2023 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 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, 2023 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 to the total contributions to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

**Public Employees Retirement System (PERS)**

At December 31, 2022, the City reported a liability of \$23,029,844, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022, the City's proportionate share was .15260 percent, which was an increase of .00242 percent from its proportionate share measured as of June 30, 2021 of .15018 percent.

For the year ended December 31, 2022, the pension system has determined the City's pension benefit to be \$1,642,457 for PERS based on the actuarial valuations which is less than the actual contribution reported in the City's financial statements of \$1,758,810. At December 31, 2022, 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>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 166,219	\$ 146,581
Changes of Assumptions	71,354	3,448,479
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	953,184	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>487,811</u>	<u>314,602</u>
Total	<u>\$ 1,678,568</u>	<u>\$ 3,909,662</u>

At December 31, 2022 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>
2023	\$ (3,066,460)
2024	408,082
2025	(212,360)
2026	670,267
2027	(30,623)
Thereafter	<u>-</u>
	<u>\$ (2,231,094)</u>

**CITY OF PASSAIC  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75%-6.55%
	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2022) 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, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

***Discount Rate***

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. 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.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

*Sensitivity of Net Pension Liability*

The following presents the City’s proportionate share of the PERS net pension liability as of December 31, 2022 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>2022</u>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
City's Proportionate Share of the PERS Net Pension Liability	<u>\$ 29,586,603</u>	<u>\$ 23,029,844</u>	<u>\$ 17,449,778</u>

The sensitivity analysis was based on the proportionate share of the City’s net pension liability at December 31, 2022. A sensitivity analysis specific to the City’s net pension liability was not provided by the pension system.

*Pension Plan Fiduciary Net Position*

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

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

At December 31, 2022, the City reported a liability of \$87,125,369 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022, the City’s proportionate share was .76116 percent, which was an increase of .00344 percent from its proportionate share measured as of June 30, 2021 of .75772 percent.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

For the year ended December 31, 2022, the pension system has determined the City pension benefit to be \$1,077,026 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the City’s financial statements of \$8,830,938. At December 31, 2022, 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:

	<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 3,943,527	\$ 5,337,613
Changes of Assumptions	238,776	10,967,363
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,978,124	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>2,717,306</u>	<u>3,740,695</u>
Total	<u>\$ 14,877,733</u>	<u>\$ 20,045,671</u>

At December 31, 2022 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>
2023	\$ (4,720,346)
2024	(2,839,774)
2025	(2,958,954)
2026	5,241,607
2027	43,524
Thereafter	<u>66,005</u>
	<u>\$ (5,167,938)</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

*Actuarial Assumptions*

The City’s total pension liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25% 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2022) 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, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

***Discount Rate***

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2022. 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, 2023 AND 2022**

**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, 2022 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>2022</u>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
City's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 119,545,416</u>	<u>\$ 87,125,369</u>	<u>\$ 60,135,522</u>

The sensitivity analysis was based on the proportionate share of the City’s net pension liability at December 31, 2022. 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, 2022, the State’s proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$15,505,762. For the year ended December 31, 2022, 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 \$1,788,954, which is less than the actual contribution the State made on behalf of the City of \$1,930,391. At December 31, 2022 (measurement date June 30, 2022) the State’s share of the PFRS net pension liability attributable to the City was .76116 percent, which was an increase of .00344 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .75772 percent. The State’s proportionate share attributable to the City was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the City’s financial statements.

*Pension Plan Fiduciary Net Position*

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

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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](http://www.state.nj.us/treasury/pensions).

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2022:

Active Plan Members	65,360
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>33,684</u>
Total	<u>99,044</u>
Contributing Employers	591
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.

**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, 2023 was not available and for 2022 is \$16.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is -0.36% at June 30, 2022.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2021 which was rolled forward to June 30, 2022.

**Actuarial Methods and Assumptions**

In the July 1, 2021 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, 2023 AND 2022**

**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 \$389.5 million and the State of New Jersey, as the non-employer contributing entity, contributed \$45.8 million for fiscal year 2022.

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, 2023, 2022 and 2021 were \$8,413,716, \$7,169,119 and \$5,757,719, respectively, which equaled the required contributions for each year (or were not available). In addition, the City's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2023, 2022 and 2021 were \$771,830, \$687,789 and \$671,279, 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, N.J.A.C. 5:30-6.1(c)2 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, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2022, the City reported a liability of \$142,718,174, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2022. As of the measurement date of June 30, 2022 the City's proportionate share was .88376 percent, which was an increase of .00075 percent from its proportionate share measured as of June 30, 2021 of .88301 percent.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

For the year ended December 31, 2022, the Plan has determined the City's OPEB expense to be \$7,203,357, based on the actuarial valuation which is more than the actual contributions reported in the City's financial statements of \$7,169,119. At December 31, 2022, the City's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the City's financial statements are from the following sources:

	<b>2022</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 7,370,119	\$ 26,453,883
Changes of Assumptions	19,046,332	48,706,961
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	37,572	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	42,852,318	9,772,448
Contributions made Subsequent to the Measurement Date	<u>-</u>	<u>-</u>
Total	<u>\$ 69,306,341</u>	<u>\$ 84,933,292</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2023	\$ (5,814,449)
2024	(5,821,660)
2025	(2,239,142)
2026	1,504,441
2027	3,627,220
Thereafter	<u>(6,883,361)</u>
	<u>\$ (15,626,951)</u>

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

*Actuarial Assumptions*

The City’s total OPEB liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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>2022</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Rate For All Future Years	2.75% to 6.55%
	Based on Years of Service
PFRS:	
Rate For All Future Years	3.25% to 16.25%
	Based on Years of Service

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

*Mortality Rates*

Pre-retirement and 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 6.25 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. For post-65 medical benefits PPO, the trend is initially -1.89 percent in Fiscal Year 2023, increasing to 15.04 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. The HMO trend is initially -1.99 percent in Fiscal Year 2023, increasing to 15.18 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to 4.50% long-term trend rate in fiscal year 2030.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

**Discount Rate**

The discount rate for June 30, 2022 measurement date was 3.54%. 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, 2023 AND 2022**

**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 3.54% 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 2.54% or 1-percentage-point higher 4.54% than the current rate:

<u>2022</u>	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
City's Proportionate Share of the Net OPEB Liability	<u>\$ 165,439,094</u>	<u>\$ 142,718,174</u>	<u>\$ 124,437,068</u>

The sensitivity analysis was based on the proportionate share of the City's net OPEB liability at December 31, 2022. 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, 2022 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>2022</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>\$ 121,072,124</u>	<u>\$ 142,718,174</u>	<u>\$ 170,440,669</u>

The sensitivity analysis was based on the proportionate share of the City's net OPEB liability at December 31, 2022. A sensitivity analysis specific to the City's net OPEB liability was not provided by the pension system.

*Special Funding Situation*

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

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

*Special Funding Situation (Continued)*

The non-employer special funding allocation percentages presented as the State's proportion share was based on eligible plan members subject to the special fund situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

At December 31, 2022, the State's proportionate share of the net OPEB liability attributable to the City for the OPEB special funding situation is \$615,653. For the year ended December 31, 2022 the plan has determined the State's proportionate share of the OPEB expense attributable to the City for the OPEB special funding situation is \$100,980. At December 31, 2022, (measurement date June 30, 2022), the State's share of the OPEB liability attributable to the City was .01825 percent, which was an increase of .0121 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .00615 percent. The State's proportionate share attributable to the City was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

*OPEB Plan Fiduciary Net Position*

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

**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 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, 2023 and 2022. 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, 2023 and 2022 the City has available in the Other Trust Fund \$2,654,024 and \$4,603,982, respectively for the payment of self-insurance claims.

**NOTE 15 CONTINGENT LIABILITIES**

The City is a party defendant in several 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, with the exception of the following.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 15 CONTINGENT LIABILITIES (Continued)**

**Pending Litigation** – There are two cases which may have a material financial impact.

Case 1 – S.W. vs. City of Passaic – This is a Title 59 personal-injury matter filed in state court. Plaintiff alleges negligence on the part of the City in connection with injuries suffered as a result of a motor vehicle accident. Plaintiff also alleges damages for her child, which whom she was pregnant at the time of the incident and was subsequently delivered via C-Section prematurely at only 5 months gestation.

Plaintiff has submitted a settlement demand of \$2 million. Management will vigorously defend this claim brought against the City.

Case 2 – A.C. vs. City of Passaic – This is a Title 59 personal-injury matter filed in state court. Plaintiff alleged negligence on the part of the City in connection with injuries suffered as a result of being a pedestrian who was struck by a motor vehicle operated by a City DPW employee.

Plaintiff has demanded \$5 million for settlement in the matter. Management will vigorously defend this claim brought against the City.

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2023 and 2022. 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, 2023 and 2022, the City reserved \$4,676,409 and \$3,787,175, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**Federal and State Awards** - The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2023 and 2022, 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, 2023 and 2022 was \$29,290,571 and \$30,933,310, respectively, of which the City the Passaic's share was \$3,221,963 and \$3,402,664, 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 \$102,030,857 and \$74,468,340 of debt outstanding as of December 31, 2023 and 2022, respectively, of which the City of Passaic's share was \$29,150,214 and \$21,275,605, 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.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022, 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, 2023 and 2022, the City provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law"), the Five-Year Exemption and Abatement Law (the "FYEA") and the New Jersey Housing and Mortgage Financing Act (NJHMFA).

- The Long Term Tax Exemption Law (NJSA 40A:20 et.seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being "in need of redevelopment". These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area "in need of redevelopment". Upon adopting the planning board's recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) in an amount based generally on a percentage of project costs or revenue generated by the project, depending on the type of project. For the years ended December 31, 2023 and 2022 the City abated property taxes totaling \$3,641,582 and \$2,647,245, respectively under the LTTE program. The City received \$1,552,103 and \$1,170,210 in PILOT payments under this program for the years ended December 31, 2023 and 2022, 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. The City received \$151,489 and \$69,489 in PILOT payments under this program for the years ended December 31, 2023 and 2022 respectively.

**CITY OF PASSAIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2023 AND 2022**

**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 \$6,050,000, \$6,000,000 and \$7,024,000 of the funds in the 2023, 2022 and 2021 budgets, respectively to replace lost public sector revenue. The City will utilize \$8,135,000 of the remaining funds in the 2024 budget to replace lost public sector revenue. The remaining balance in the amount of \$3,922,608 has been made available in the grant for various COVID related projects. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

**NOTE 19 SUBSEQUENT EVENTS**

**Debt Authorized**

On May 7, 2024 the City adopted a bond ordinance authorizing the issuance \$3,700,000 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the City has not issued nor awarded the sale of said bonds or notes.

**CURRENT FUND**

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

Balance, December 31, 2022		\$ 62,661,905
Increased by Receipts:		
Tax Collector	\$ 119,830,846	
Revenue Accounts Receivable	22,204,904	
Nonbudget Revenue	1,482,852	
Due from State of New Jersey - Senior Citizen/Veterans Deductions	50,597	
Receipts from the Parking Authority	743,251	
Receipts for Grant Fund	105,574	
Receipts for Animal Control Fund	1,596	
Receipts for Other Trust Fund	726,940	
Municipal Relief Fund Aid	1,308,565	
Fees Payable	<u>117,915</u>	
		<u>146,573,040</u>
		209,234,945
Decreased by Disbursements:		
2023 Budget Appropriations	87,925,465	
2022 Appropriation Reserves	702,638	
Accounts Payable	154,610	
Encumbrances Payable	2,705,974	
County Taxes	28,499,782	
Local School Taxes	16,986,763	
Tax Overpayments	31,556	
Payments to County - Pilot Fees	47,378	
Payments for Parking Authority	35,800	
Payments for Redevelopment Authority	11,250	
Payments for Grant Fund	1,965,985	
Payments for Other Trust Fund	4,682,489	
Payments for Community Development Block Grant Fund	52,423	
Payments for Home Investment Program Fund	245,344	
Payments for Sewer Utility Operating Fund	143,479	
Payments to Sewer Utility Operating Fund	250,000	
Fees Payable	86,725	
Reserve for Tax Appeals	110,766	
Miscellaneous Reserves	14,696	
Refund of Prior Year Revenue	<u>48,523</u>	
		<u>144,701,646</u>
Balance, December 31, 2023		<u>\$ 64,533,299</u>

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

Balance, December 31, 2022		\$ 10,133,562
Increased by:		
Grants Receivable	\$ 5,648,688	
Receipts for Current Fund	135,904	
Receipts for Other Trust Fund	918,683	
Unappropriated Grant Reserves	<u>23,162</u>	
		<u>6,726,437</u>
		16,859,999
Decreased by:		
Payments to Current Fund		
Payments for Current Fund	846	
Payments to Housing Authority	100	
Appropriated Grant Reserves	7,561,574	
Reserve for Grant Reimbursement	<u>32,915</u>	
		<u>7,595,435</u>
Balance, December 31, 2023		<u>\$ 9,264,564</u>

**SCHEDULE OF TAX COLLECTOR'S CASH**

Increased by:		
Taxes Receivable	\$ 117,386,180	
Tax Title Liens Receivable	26,479	
Interest and Cost on Taxes	257,358	
Payment in Lieu of Taxes	1,346,927	
Prepaid Taxes	<u>813,902</u>	
		\$ 119,830,846
Decreased by:		
Payment to Treasurer		<u>\$ 119,830,846</u>

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

Balance, December 31, 2022	\$ <u>2,800</u>
Balance, December 31, 2023	\$ <u><u>2,800</u></u>

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

Balance, December 31, 2022	\$ 9,645,237
Increased by:	
2023 Budget Appropriation for Grants:	
Appropriated Grants	\$ 34,264,404
Payments for Current Fund	846
Transferred to Grant Fund - Disallowed Grant Costs	500,000
Grant Fund Receipts Deposited in Current Fund	<u>105,574</u>
	<u>34,870,824</u>
	44,516,061
Decreased By:	
Grants Receivable Anticipated as 2023 Budget Revenue	32,954,622
Anticipated Current Fund Revenue - ARP Funds	6,050,000
Current Fund Receipts Deposited in Grant Fund	135,904
Unappropriated Grants Anticipated as 2023 Budget Revenue	1,309,782
Grant Fund Expenditures Paid by Current Fund	<u>1,965,985</u>
	<u>42,416,293</u>
Balance, December 31, 2023	\$ <u><u>2,099,768</u></u>

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

Balance, December 31, 2022		\$	47,734
Increased by:			
Senior Citizens/Veterans Deductions Per Tax Duplicate	\$	60,750	
Deductions Allowed by Tax Collector - 2023		750	
Deductions Allowed by Tax Collector - Prior Years		<u>250</u>	
			<u>61,750</u>
			109,484
Decreased by:			
Cash Received from State		50,597	
Deductions Disallowed by Tax Collector - 2023		4,000	
Deductions Disallowed by Tax Collector - Prior Years		<u>6,653</u>	
			<u>61,250</u>
Balance, December 31, 2023		\$	<u><u>48,234</u></u>

EXHIBIT A-10

**STATEMENT OF DUE TO PASSAIC PARKING AUTHORITY**

Balance, December 31, 2022		\$	54,318
Increased by:			
Cash Receipts	\$	716,250	
Fees Collected for Parking Authority		<u>27,001</u>	
			<u>743,251</u>
			797,569
Decreased by:			
Current Fund Revenue-2023 Interlocal Agreement		680,450	
Payments Made for Parking Authority		<u>35,800</u>	
			<u>716,250</u>
Balance, December 31, 2023		\$	<u><u>81,319</u></u>

EXHIBIT A-11

**STATEMENT OF DUE FROM PASSAIC REDEVELOPMENT AUTHORITY**

Balance, December 31, 2022		\$	248,782
Increased by:			
Cash Disbursements			
2023 Budget Appropriation	\$	10,000	
Payments Made for Redevelopment Authority		<u>1,250</u>	
			<u>11,250</u>
			260,032
Decreased by:			
2023 Budget Appropriation			<u>10,000</u>
Balance, December 31, 2023		\$	<u><u>250,032</u></u>

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

Fiscal Year Ended	Balance, December 31, 2022	2023 Levy	Senior Citizens and Veterans Deductions Disallowed	Collections 2022	Collections 2023	Senior Citizens and Veterans Deductions Allowed	Transferred to Tax Title Liens	Cancelled	Balance, December 31, 2023
2022	\$ 14,343	-	\$ 6,653	-	\$ 14,686	\$ 250	-	\$ 4,231	\$ 1,829
	14,343	-	6,653	-	14,686	250	-	4,231	1,829
2023	-	\$ 118,647,682	4,000	\$ 907,722	117,371,494	61,500	\$ 36,116	121,776	153,074
	<u>\$ 14,343</u>	<u>\$ 118,647,682</u>	<u>\$ 10,653</u>	<u>\$ 907,722</u>	<u>\$ 117,386,180</u>	<u>\$ 61,750</u>	<u>\$ 36,116</u>	<u>\$ 126,007</u>	<u>\$ 154,903</u>
					Cash Receipts	<u>\$ 117,386,180</u>			
Tax Yield:									
			\$ 118,326,032						
			<u>321,650</u>						
				<u>\$ 118,647,682</u>					
Tax Levy:									
			\$ 16,986,763						
County Taxes:									
		\$ 27,797,213							
		539,268							
		<u>77,041</u>							
			28,413,522						
		71,334,360							
		1,658,748							
		<u>254,289</u>							
			<u>73,247,397</u>						
				<u>\$ 118,647,682</u>					

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

Balance, December 31, 2022		\$	248,895
Increased by:			
Transfers from Taxes Receivable - 2023		\$	36,116
Interest and Costs Accrued by Tax Sale			<u>2,639</u>
			<u>38,755</u>
			287,650
Decreased by:			
Receipts			26,479
Transferred to Foreclosed Property			<u>119,386</u>
			<u>145,865</u>
Balance, December 31, 2023		\$	<u>141,785</u>

EXHIBIT A-14

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES**

Balance, December 31, 2022		\$	57,699
Increased by:			
Transfer from Tax Title Liens Receivable		\$	119,386
Adjustment to Assessed Valuation			<u>135,814</u>
			<u>255,200</u>
Balance, December 31, 2023		\$	<u>312,899</u>

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

	Balance, December 31, <u>2022</u>	Accrued	Decreased by:		Balance, December 31, <u>2023</u>
			<u>Treasurer</u>	<u>Tax Collector</u>	
Licenses					
Alcoholic Beverages		\$ 137,474	\$ 137,474		
Other		53,194	53,194		
Fees and Permits					
Construction Code Official		1,100,000	1,100,000		
Other		83,201	83,201		
Fines and Costs					
Municipal Court	\$ 82,968	1,173,585	1,176,359		\$ 80,194
Energy Receipts Tax		12,632,201	12,632,201		
Interest and Costs on Taxes		257,358		\$ 257,358	
Interest on Investments and Deposits		2,396,952	2,396,952		
Downtown Merchants Association		87,104	87,104		
Police Record Bureau		37,759	37,759		
Board of Education - Security Watch		3,500,000	3,500,000		
Cable Franchise Fee		287,432	287,432		
Passaic Public Library - Health Benefit Contributions		205,193	205,193		
Housing Authority Police Program		605,636	605,636		
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.		182,515		182,515	
Chestnut Housing Phase I		98,500		98,500	
Jack Parker Associates		500,731		500,731	
Housing Authority		212,895		212,895	
Garden Howe		45,725		45,725	
YMCA - River Road		37,500		37,500	
Highview Terrace		88,361		88,361	
585 Main Street		65,438		65,438	
663 Main Street		54,009		54,009	
Concord Estate		61,253		61,253	
American Rescue Plan - Federal Funding	-	6,050,000	6,050,000	-	-
	<u>\$ 82,968</u>	<u>\$ 30,164,016</u>	<u>\$ 28,562,505</u>	<u>\$ 1,604,285</u>	<u>\$ 80,194</u>
			Cash Receipts \$ 22,204,904	\$ 1,604,285	
			Due from Grant Fund 6,185,904		
			Due from Animal Control Fund 15		
			Due from Other Trust 168,158		
			Due from CDBG Fund 1,714		
			Due from General Capital Fund 1,810	-	
			<u>\$ 28,562,505</u>	<u>\$ 1,604,285</u>	

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

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance December 31, 2022</u>	<u>2023 Budget Appropriation</u>	<u>Balance December 31, 2023</u>
12/8/2020	COVID - 19	\$ 804,000	\$ 160,800	\$ <u>643,200</u>	\$ <u>160,800</u>	\$ <u>482,400</u>

EXHIBIT A-17

**STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2022	\$ 42,770
Decreased by:	
Overpayments Refunded	<u>31,556</u>
Balance, December 31, 2023	<u>\$ 11,214</u>

EXHIBIT A-18

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2022	\$ 907,722
Increased by:	
Cash Receipts	<u>813,902</u>
	1,721,624
Decreased by:	
Applied to 2023 Taxes Receivable	<u>907,722</u>
Balance, December 31, 2023	<u>\$ 813,902</u>

CITY OF PASSAIC  
STATEMENT OF 2022 APPROPRIATION RESERVES

	Balance, December 31, <u>2022</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT					
DEPARTMENT OF ADMINISTRATION					
Office of Business Administration					
Salaries & Wages	\$ 168,898		\$ 168,898	\$ 16,444	\$ 152,454
Other Expenses	71,991	\$ 2,611	74,602	-	74,602
Mayor and Council					
Salaries and Wages	23,449	-	23,449	-	23,449
Other Expenses	48,712	-	48,712	17,425	31,287
City Clerk					
Salaries and Wages	877	-	877	-	877
Other Expenses	64,541	-	64,541	6,273	58,268
Human Resources					
Salaries and Wages	73,746	-	73,746	-	73,746
Other Expenses	4,804	-	4,804	2,476	2,328
Financial Administration-Treasurer's Office					
Salaries and Wages	20,301	-	20,301	-	20,301
Other Expenses	85,373	-	85,373	54,128	31,245
Annual Audit					
Other Expenses	2,000	-	2,000	1,000	1,000
Revenue Administration					
Salaries and Wages	26,968	-	26,968	-	26,968
Other Expenses	9,429	147	9,576	-	9,576
Tax Assessment Administration					
Salaries and Wages	23,193	-	23,193	-	23,193
Other Expenses	18,882	18,029	36,911	-	36,911
Legal Services					
Other Expenses	192,181	592	192,773	-	192,773
Office of Engineer					
Salaries and Wages	41,341	-	41,341	-	41,341
Other Expenses	46,585	-	46,585	26,321	20,264
Planning and Economic Development					
Salaries and Wages	6,473	-	6,473	-	6,473
Other Expenses	18,378	-	18,378	-	18,378
Division of Housing					
Salaries and Wages	15,842	-	15,842	-	15,842
Other Expenses	2,544	-	2,544	-	2,544
Planning Board					
Other Expenses	17,157	-	17,157	-	17,157
Board of Adjustment					
Other Expenses	12,695	-	12,695	6,750	5,945
Rent Leveling Board					
Other Expenses	15,200	-	15,200	-	15,200
Insurance					
Employee Group Insurance	1,240,722	84,767	1,325,489	1,300,000	25,489
Health Benefit Waiver	1,100	-	1,100	-	1,100
DEPARTMENT OF PUBLIC WORKS					
Streets and Road Maintenance					
Salaries & Wages	362,384	-	362,384	-	362,384
Other Expenses	232,442	-	232,442	230,354	2,088
Solid Waste Collection					
Other Expenses			-		-
Garbage Removal Contractual	273,728	83,883	357,611	-	357,611
Building and Grounds					
Salaries & Wages	94,413	-	94,413	-	94,413
Other Expenses	59,598	-	59,598	9,601	49,997
Vehicle Maintenance					
Salaries & Wages	73,797	-	73,797	-	73,797
Other Expenses	101,590	-	101,590	74,277	27,313

CITY OF PASSAIC  
STATEMENT OF 2022 APPROPRIATION RESERVES

	Balance, December 31, <u>2022</u>	Encumbrances Cancelled	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>DEPARTMENT OF PUBLIC SAFETY</b>					
Police Department					
Salaries and Wages	\$ 2,448,086	\$ 48,045	\$ 2,496,131	\$ 900,000	\$ 1,596,131
Other Expenses	12,886	13,900	26,786		26,786
BOE Security Watch and Res. Officer	184,888		184,888	18,588	166,300
Fire Department					
Salaries and Wages	546,050	-	546,050	118,019	428,031
Other Expenses	27,723	-	27,723	27,341	382
Municipal Court					
Salaries and Wages	255,058	-	255,058	-	255,058
Other Expenses	17,731	-	17,731	2,568	15,163
Office of Emergency Management					
Salaries and Wages	14,122	-	14,122	-	14,122
Other Expenses	1,998	-	1,998	-	1,998
Prosecutor 's Office					
Other Expenses	78,350	8,624	86,974	-	86,974
Public Defender					
Other Expenses	52,950		52,950	2,700	50,250
Passaic Parking Authority					
Salaries and Wages	137,076	-	137,076	-	137,076
Other Expenses	284,056	-	284,056	283,400	656
<b>DEPARTMENT OF HUMAN RESOURCES</b>					
Division of Health					
Salaries & Wages	106,157	-	106,157	-	106,157
Other Expenses	87,964	2,145	90,109	-	90,109
Animal Regulation					
Salaries & Wages	70,238	-	70,238	-	70,238
Other Expenses	2,033	-	2,033	-	2,033
<b>DEPARTMENT OF PARKS AND RECREATION</b>					
Division of Recreation					
Salaries & Wages	297,606	-	297,606	-	297,606
Other Expenses	10,861	-	10,861	1,308	9,553
Senior Citizens					
Salaries & Wages	69,789	-	69,789	-	69,789
Other Expenses	6,557	-	6,557	518	6,039
Handicapped Recreation					
Salaries & Wages	85,726	-	85,726	-	85,726
Other Expenses	6,620	-	6,620	-	6,620
Maintenance of Parks					
Salaries & Wages	53,820	-	53,820	-	53,820
Other Expenses	49,208	-	49,208	4,278	44,930
<b>UNIFORM CONSTRUCTION CODE- APPROPRIATIONS</b>					
<b>OFFSET BY DEDICATED REVENUES</b>					
Division of Code Enforcement					
Salaries & Wages	126,118	-	126,118	-	126,118
Other Expenses	88,021	-	88,021	13,556	74,465

CITY OF PASSAIC  
STATEMENT OF 2022 APPROPRIATION RESERVES

	Balance, December 31, <u>2022</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
UNCLASSIFIED					
Utilities:					
Electricity	\$ 63,809		\$ 63,809	\$ 62,921	\$ 888
Telephone and Telegraph	175,482		175,482	102,061	73,421
Street Lighting	72,421	\$ 17,831	90,252	-	90,252
Gasoline	112,019		112,019	37,165	74,854
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Tipping Fees	92,638	-	92,638	27,026	65,612
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures					
Social Security System (O.A.S.I.)	205,247	-	205,247	-	205,247
Deferred Compensation Retirement Plan	29,920	-	29,920	-	29,920
GENERAL APPROPRIATIONS - ALL OTHER OPERATIONS EXCLUDED FROM "CAPS"					
Recycling Tax	25,059	-	25,059	8,050	17,009
Matching Funds for Grants	35,000	-	35,000	-	35,000
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Gun Range Improvements		-	-		-
Acquisition of Fire Truck-ARP Funds	14,956	-	14,956	14,956	-
Acquisition of Street Sweeper	300,000	-	300,000	300,000	-
Parks/Roads Improvement	444,030	-	444,030	444,030	-
	<u>\$ 10,143,607</u>	<u>\$ 280,574</u>	<u>\$ 10,424,181</u>	<u>\$ 4,113,534</u>	<u>\$ 6,310,647</u>
				Cash Disbursements	\$ 702,638
				Transferred to Accounts Payable	605,973
				Due to General Capital Fund	184,923
				Due to Other Trust Fund	2,620,000
				<u>\$ 4,113,534</u>	

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

Increased by:		
Levy		\$ 16,986,763
Decreased by:		
Cash Disbursements		<u>\$ 16,986,763</u>

EXHIBIT A-21

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2022		\$ 86,260
Increased by:		
Levy		
General County	\$ 27,797,213	
County Open Space Preservation	539,268	
County Added/Omitted Taxes	<u>77,041</u>	
		<u>\$ 28,413,522</u>
		28,499,782
Decreased by:		
Cash Disbursed		<u>\$ 28,499,782</u>

EXHIBIT A-22

**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2022		\$ 2,986,548
Increased by:		
Transferred from Budget Appropriations		<u>3,250,451</u>
		6,236,999
Decreased by:		
Payments	\$ 2,705,974	
Cancelled Encumbrances Restored to Appropriation Reserves	<u>280,574</u>	
		<u>2,986,548</u>
Balance, December 31, 2023		<u>\$ 3,250,451</u>

**CITY OF PASSAIC  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2022	\$ 368,511
Increased by:	
Transfer from 2022 Appropriation Reserves	<u>605,973</u>
	974,484
Decreased by:	
Cash Disbursements	<u>154,610</u>
Balance, December 31, 2023	<u>\$ 819,874</u>

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, December 31, 2022	\$ 3,787,175
Increased by:	
Transferred from 2023 Tax Collections	<u>1,000,000</u>
	4,787,175
Decreased by:	
Cash Payments	<u>110,766</u>
Balance, December 31, 2023	<u>\$ 4,676,409</u>

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

	Balance, December 31, <u>2022</u>	<u>Decreased by</u>	Balance, December 31, <u>2023</u>
Tax Map	\$ 144,701	\$ 14,696	\$ 130,005
Sale of Municipal Assets	129,780		129,780
PILOT - Housing Authority	<u>183,751</u>	<u>-</u>	<u>183,751</u>
	<u>\$ 458,232</u>	<u>\$ 14,696</u>	<u>\$ 443,536</u>

**STATEMENT OF FEES PAYABLE**

	Balance, December 31, <u>2022</u>	<u>Receipts</u>	<u>Payments</u>	Balance, December 31, <u>2023</u>
Construction Code Training Fees	\$ 16,339	\$ 117,885	\$ 86,670	\$ 47,554
Burial Fees	25	30	55	-
Bail Bond Forfeiture Fees	213,723			213,723
Ambulance Billing Fees	<u>11,151</u>	<u>-</u>	<u>-</u>	<u>11,151</u>
	<u>\$ 241,238</u>	<u>\$ 117,915</u>	<u>\$ 86,725</u>	<u>\$ 272,428</u>

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

Balance, December 31, 2022	\$ 308,338
Decreased by:	
Anticipated Revenue - 2023 Budget	<u>\$ 308,338</u>

**STATEMENT OF RESERVE FOR REVALUATION PROGRAM**

Balance, December 31, 2022	<u>\$ 163,082</u>
Balance, December 31, 2023	<u>\$ 163,082</u>

**STATEMENT OF RESERVE FOR DEFERRED STATE AID**

Balance, December 31, 2022	\$ 3,724,778
Decreased by:	
Anticipated Revenue - 2023 Budget	<u>1,000,000</u>
Balance, December 31, 2023	<u>\$ 2,724,778</u>

**STATEMENT OF RESERVE FOR MUNICIPAL RELIEF FUND AID**

Balance, December 31, 2022	\$ 654,421
Increased By:	
Cash Receipts	<u>1,308,565</u>
	1,962,986
Decreased by:	
Anticipated Revenue - 2023 Budget	<u>654,421</u>
Balance, December 31, 2023	<u>\$ 1,308,565</u>

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

	Balance, December 31, <u>2022</u>	Revenue <u>Accrued</u>	Cash <u>Received</u>	Balance, December 31, <u>2023</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	13,958			13,958
Byrne Memorial - TY 2016	23,633			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	215,788			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
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		9,739	261
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	15,169			15,169
Byrne Memorial - 2018	8,582			8,582
Pedestrian Safety Grant - 2019	20,710			20,710
FEMA - Fire SAFER Program - 2018	222,930			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

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

	Balance, December 31, <u>2022</u>	Revenue <u>Accrued</u>	Cash <u>Received</u>	Balance, December 31, <u>2023</u>
HOPWA 2019	\$ 87,440			\$ 87,440
PC-City Green Grant	500			500
NJDEP - Stewardship - Forestry Program	23,000		\$ 5,665	17,335
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	8,396			8,396
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		180,318	21
USDOJ - Coronavirus Emerg Supplemental 2020	128,904		124,940	3,964
COPS Hiring Grant	1,000,000		500,016	499,984
HOPWA Covid 19 20-21	311		311	-
Mental Health Stigma Free - County Grant	500			500
2020 Patrick Leahy Bulletproof Vest	3,600		3,600	-
NJ DOT 2021 - Various Streets	281,019			281,019
Childhood Lead 2022	72,794			72,794
Distracted Drvng Crckdwn 2021 -Utext Udrv	60			60
Drive Sober Labor Day 2021	1,080			1,080
HOPWA 2021	103,435		103,435	-
Municipal Alliance 2021-2022	2			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	12,900		3,585	9,315
Summer Food Program 2021	78,206			78,206
Stationhouse Adj - Regional Grant 2021	15,496			15,496
Strengthening Health Capacity Grant FY 2022	5,735			5,735
Strengthening Health Capacity Grant FY 2021	61,302			61,302
WIC 2021-2022 Grant	261,181		165,685	95,496
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	-

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

	Balance, December 31, <u>2022</u>	Revenue <u>Accrued</u>	Cash <u>Received</u>	Balance, December 31, <u>2023</u>
NJDOT - Safe Streets to Transit FY 2021	\$ 200,000			\$ 200,000
WIC Infrastructure Grant FY 2022	32,800		\$ 28,243	4,557
DOT TAPS - Mrkt St - PE & FD Phase	141,024			141,024
Byrne Memorial JAG 2020	169,234			169,234
COVID 19 Vaccination Supplemental Funding 2022	29,500		15,488	14,012
NJDOT TAPS - Railroad ROW	1,000,000			1,000,000
Assistance to Firefighters Grant	142,651		118,487	24,164
American Rescue Plan - Federal Funding	-			-
Alcohol Education and Rehab 2022	-			-
Body Armor Grant 2021	-			-
Clean Communities 2022	-			-
Click It or Ticket 2022 Seat Belt Mobil	770			770
Distracted Driving Crackdown 2022	490			490
PCCHC Local Arts Program Re-Grant	1,469		1,469	-
Pedestrian Safety Grant	6,040			6,040
Ryan White FY 2022	59,865		56,989	2,876
Summer Food Program 2022	-		-	-
Stationhouse Adjustment - Passaic 2022	21,225		21,067	158
Stationhouse Adjustment - Regional Grant 2022	23,431		23,330	101
Strengthening Health Capacity Grant FY 2023	274,735		174,643	100,092
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		45,257	4,743
Childhood Lead HY23	450,209		444,741	5,468
Municipal Alliance FY23	17,312		17,310	2
Green Acres 2021	1,200,000			1,200,000
ROID FY22	9,500			9,500
WIC FY23	1,121,619		1,038,377	83,242
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		9,695	2,555
ARP Firefighter Grant FY2022	31,000			31,000
Alcohol Education and Rehab 2023		\$ 17,522	17,522	-
Assistance to Firefighters Grant FY 2022		406,319		406,319
ARP Automated License Plate Reader Init.		148,253		148,253
Byrne Memorial 2022 Grant		230,839		230,839
Patrick Leahy Bulletproof Vest 2021		37,150	5,194	31,956
Patrick Leahy Bulletproof Vest 2022		25,561		25,561
Byrne Memorial 2023 Grant		260,492		260,492
UEZ 2023 Carnie Bragg Park Phase 1		50,000	50,000	-
Clean Communities Grant 2023		91,785	91,785	-
USDA FY2023 Community Garden Project		20,000		20,000
Childhood LEAD 2024		794,349	80,208	714,141
Click it or Ticket 2023 Seat Belt Mobil		10,500	10,360	140
Community Mental Health Grant 2023 - Local		10,000	9,000	1,000
COPS Hiring Grant 2023		2,000,000	-	2,000,000
Community Project Funding FY2022 - Conformative RR Project		883,000		883,000
Distracted Driving Crackdown 2023 U-Tecto U-Drive		12,250	5,040	7,210
Drunk Driving Enforcement Fund 23-24		33,903		33,903
Drive Sober Labor Day Crackdown 2023		10,500	7,858	2,642
NJACCHO Enhancing Local Public Health Infr		728,740		728,740

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

	Balance, December 31, <u>2022</u>	Revenue <u>Accrued</u>	Cash <u>Received</u>	Balance, December 31, <u>2023</u>
Food Security Planning Grant	\$ 125,000		\$ 62,500	\$ 62,500
NJDEP Green Acres 2023-3rd Ward Memorial Park Impvts. HOWPA 2022		1,400,000 82,500	-	1,400,000 -
NJDOT Local Aid Infrastructure Fund FY22-Myrtle Ave.		365,000		365,000
NJDOT Local Aid Municipal Aid FY 2023		922,775		922,775
Lead Grant Assistance Program 2023		111,400	111,400	-
Lead Remediation and Abatement 2023		480,189	-	480,189
Local Recreation Improvement Grant 2023-Colonel Johnson Park		76,000	-	76,000
NJDOT Local Transp. Projects Fund FY23-Delaware Ave., Oak, etc.		1,700,000	-	1,700,000
Municipal Alliance 23-24		17,312	-	17,312
NPP ARP FY2023		238,764	-	238,764
NPP Year 3 (2023)		125,000	112,500	12,500
National WIC Association Sub-Grant		3,089	3,089	-
FY23 Legislative Grant Parking Deck		10,000,000	-	10,000,000
Patrick Leahy Bulletproof Vest 2023		14,745	-	14,745
FY23 Legislative Grant Pulaski Park Extension		6,000,000	-	6,000,000
Public Safety Answering Point FY2023		195,136	195,136	-
Pedestrian Safety Grant - 2023		35,000	32,550	2,450
Rec Opp (ROID) FY2023		20,000	-	20,000
Recycling Tonnage Grant 2023 (FY 2020)		104,958	104,958	-
Ryan White 2023 Grant		146,840	51,729	95,111
UEZ 2023 Riverwalk Market & South St.		50,000	50,000	-
Summer Food Program 2023		149,741	68,037	81,704
Stationhouse Adj - Passaic Grant 2023		41,091	20,898	20,193
Stationhouse Adj - Regional Grant 2023		45,000	22,432	22,568
Strengthening Health Capacity Grant FY 2024		406,046	66,203	339,843
Spotted Lanternfly Program NJDA		15,000	14,957	43
NJDOT Safe Routes to School FY2022		425,000	-	425,000
Safe & Secure 2023		48,600	33,615	14,985
NJDOT Safe Streets to Transit FY2023-Multi Intersection Project 16		510,000	-	510,000
Stormwater Assistance Grant		25,000	15,000	10,000
NJDOT (Federal) TAPS Grant 2023-Hamilton Ave. and State St.		454,000	-	454,000
UEZ 2023 Bus.Expansion Gr.Project		100,000	100,000	-
UEZ 2023 Marketing Program		150,000	150,000	-
NJDEP Urban Park Initiative Grant 2023-3rd Ward Memorial Park Impvts.		500,000	-	500,000
UEZ 2023 Bus.Dist.Surveillance Camera		199,748	199,748	-
UEZ 2023 Facade & Signage		200,000	200,000	-
UEZ 2023 Graffiti Eradication		98,700	98,700	-
UEZ 2023 Market St. Improvements		220,000	220,000	-
COVID-19 Vaccination Spllmntl FY22- Yr3		20,000	9,250	10,750
WIC 2023-2024 Grant		1,226,260	78,814	1,147,446
NJDOT Youth Corps'Urban Gateway 2023		32,000	-	32,000
WIC FY2023 Additional Funds		10,351	10,351	-
Opioid Settlement Funds (1 of 2)	-	93,214	93,214	-
	<u>\$ 20,405,381</u>	<u>32,954,622</u>	<u>5,754,262</u>	<u>\$ 47,605,741</u>
Due to/from Current Fund		\$ 32,954,622	\$ 105,574	
Cash Receipts		-	5,648,688	
		<u>\$ 32,954,622</u>	<u>\$ 5,754,262</u>	

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

	Balance December 31, 2022		Increased by:		Expended	Balance December 31, 2023	
	Encumbered	Reserved	Budget Appropriation	Cancelled Encumbrances		Encumbered	Reserved
Ryan White Title I - 2008	\$ 100					\$ 100	
NJDOT - Transportation Trust - Howel/Lincoln/St. Francis Byrne Memorial - 2013		\$ 61,555 7,954				\$ 61,555 7,954	
Highlands Council Transfer Development Rights Stationhouse Adj. - 2015	17,193	15,000 36				17,193	15,000 36
Ryan White - 2015 Mayor's Wellness - 2015		83,667 140					83,667 140
DOT Market Streetscape Enhancement - 2014 Multi Culture - 2015		684,396 700					684,396 700
HOPWA - 2014 Hep Inoculation - 2015		23,543 428					23,543 428
Distracted Driving Crackdown - 2015 Drive Sober - 2015		50 3,800					50 3,800
Clean Communities - 2015 Safe & Secure Communities Byrne Memorial - 2015	149	48,750 4					48,750 4
UEZA - Commodities - 2015 UEZA - Dundee Canal Redevelopment		2,781 3,012					2,781 3,012
DOT Various Street Improvements - 2016 Municipal Alliance - 2016	3,527	90,676 1,979				3,527	90,676 1,979
Drunk Driving Enforcement Fund - 2016 Childhood Lead Paint - 2016		4,000 5,579					4,000 5,579
Dig In Community Garden - 2016 Downtown Merchant Summer Employment - 2016		2,500 12,554					2,500 12,554
Drive Sober - 2015 Green Acres - McDonald Brook - 2016		5,000 1,034					5,000 1,034
High Drug Traffic Youth Empowerment - 2016 HOPWA - 2015		2,160 9,247				\$ 2,160 9,247	
Municipal Alliance - 2015 OEM - Hazard Mitigation - Generators - 2016		9,964 13,958					9,964 13,958
Recreation Opportunity - 2016 WIC - 2015		9,860 4,713					9,860 4,713
WIC - 2016 Alcohol Ed. - TY 2016		19,326 26,650					19,326 26,650
Byrne Memorial - TY 2016 Childhood Lead Paint - TY 2016	153,666	1,271 344			\$ 131,304		23,633 344
Drive Sober - TY 2016 Fire SAFER - TY 2016		425 147,840					425 147,840
HOPWA - TY 2016		1,194					1,194

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

	Balance December 31, 2022		Increased by:		Expended	Balance December 31, 2023	
	Encumbered	Reserved	Budget Appropriation	Cancelled Encumbrances		Encumbered	Reserved
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		8,291					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 - 2016	\$ 135	1,142				\$ 1,277	-
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			\$ 126,921		15,169
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					1,102
Municipal Alliance Alcohol Education - 2018		1,014			525		489
Bill Belichick Foundation		4,718					4,718
Byrne Memorial - 2018	133,754	5,150			130,320		8,584
Child Lead Prevention Grant - 2018	492	235,506					235,998
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		158,318					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	2,691	11,260			8,269	126	5,556
Recreation Opportunity Grant - 2018		10,044					10,044
Ryan White - 2018		71,831					71,831
Stationhouse Adj. - 2018		237					237

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

	Balance		<u>Increased by:</u>		Expended	Balance	
	December 31, 2022		Budget	Cancelled		December 31, 2023	
	<u>Encumbered</u>	<u>Reserved</u>	<u>Appropriation</u>	<u>Encumbrances</u>		<u>Encumbered</u>	<u>Reserved</u>
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
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		129,384					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	343,421	160,459			\$ 315,036	1,278	187,566
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
Women's Sports Foundation		3,784			1,920		1,864
NJDCA - Recreation Opportunity - 2019		198					198
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		140,335			140,331		4
Patrick Leahy Bulletproof Vest -2019		18,526			10,120	10	8,396
Patrick Leahy Bulletproof Vest -2020		3,600				28	3,572
USDOJ - Covid Emergency Supplemental		3,964					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		Increased by:		Expended	Balance	
	December 31, 2022		Budget	Cancelled		December 31, 2023	
	<u>Encumbered</u>	<u>Reserved</u>	<u>Appropriation</u>	<u>Encumbrances</u>		<u>Encumbered</u>	<u>Reserved</u>
Dig In City Green - Dignity House		\$ 500				\$ 500	
Dig In City Green - Senior Center		500				500	
DOT FY 2021 Various Streets	\$ 209,653	21,413			\$ 196,067	\$ 27,070	7,929
Drive Sober Year End Crack Down - 2019		110					110
HOPWA 2020		22,358					22,358
Municipal Alliance - 2020/2021		3					3
Pedestrian Safety Grant - 2020		10,557					10,557
Pedestrian Safety Grant - 2021		7,964					7,964
Roots for Rivers		229					229
Ryan White 2020		3,272					3,272
2020 Summer Food Program		112,936					112,936
WIC 2020/2021 Grant		100,360					100,360
COPS Hiring Grant		499,984					499,984
Municipal Alliance 5th Q		3,158					3,158
Body Armor Grant		100				100	-
Stationhouse Adjustment Grant Additional	1,677	6,079					7,756
Mental Health County Grant		500					500
Stationhouse Adjustment Grant - 2021		377					377
Childhood Lead Prevention - 2021	5,945	188,066			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	1,779,528	16,408,163			9,380,946	435,584	8,371,161
Clean Communities 2020	2,841	71,631			16,351	3,078	55,043
Clean Communities 2019	4,146	17,827			18,857		3,116
Childhood Lead 2022	47	155,809			85		155,771
Click It or Ticket 2021 Seat Belt Mblztn		960					960
Distracted Drvng Crckfwn 2021-Utext Udrv		480					480
Drive Sober Labor Day 2021		1,560					1,560
HOPWA 2021	15,618	34,527			48,533		1,612
Municipal Alliance 2021-2022		2					2
Municipal Lead Abatement Grant 2020	16,688	130,150			34,455	10,228	102,155
NPP Year 2 (2021-2022)		9,205					9,205
NPP COVID-19 Relief and Recovery Addtnl							-
County Open Space - 100 Steps & Plygrnd		19,115					19,115
Recycling Tonnage Grant 2019 (FY 17)	40,607	92,757			62,420	70,944	-
Recycling Tonnage Grant 2020 (FY 18)		153,337				13,776	139,561
Ryan White 2021 Grant		16,851			1,925		14,926
Summer Food Program 2021	9,521	40,450					49,971
Stationhouse Adj - Regional Grant 2021		30,383					30,383

**CITY OF PASSAIC  
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GRANT FUND**

	Balance		Increased by:			Balance	
	December 31, 2022		Budget	Cancelled	Expended	December 31, 2023	
	Encumbered	Reserved	Appropriation	Encumbrances		Encumbered	Reserved
Strengthening Health Capacity Grant FY 2022	\$ 44,304	\$ 68,786			\$ 44,304	\$ 68,786	
Strengthening Health Capacity Grant FY 2021		72,549				72,549	
COVID-19 Vaccination Spplmntl Fdng FY22	114	215			114	215	
WIC 2021-2022 Grant		58,590				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			115,200	27,451	
Byrne Memorial JAG 2021		154,203			38,954	115,249	
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				\$ 28,242	4,558
NJDOT - Safe Streets to Transit FY 2021		200,000					200,000
HOPWA COVID-19-20-21 Additional		3,394					3,394
NJ DOT FY2022	45,016	733,100			388,534	58,414	331,168
NJ OAG - FY21 Body Worn Camera Grant	244,500	60			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			5,898	194	-
Byrne Memorial 2021 Grant		203,161			30,546		172,615
Childhood Lead 2023	70	382,592			295,278		87,384
Click It or Ticket 2022 Seat Belt Mobil		560					560
Distracted Driving Crackdown 2022 -Utext Udrv		2,590			1,960		630
NJDOT FY2022 Local Freight Impact Fund		950,000			38,033	51,651	860,316
NJDOT FY22 Local Trans. Projects Fund		2,000,000			43,109	26,293	1,930,598
Drive Sober - YE Crackdown 2022		9,730			6,895		2,835
Green Acres Grant 2021		1,200,000			783,156	6,137	410,707
Municipal Alliance Grant 2022-2023	1,973	8,320			10,293		-
Pedestrian Safety Grant - 2022		11,160					11,160
Rec Opp (ROID) FY2022		9,500			9,500		-
Ryan White 2022 Grant		106,831			70,189		36,642
Summer Food Program 2022	1	6,676					6,677
Stationhouse Adj - Passaic Grant 2022	1,828	2,871			1,828		2,871
Stationhouse Adj - Regional Grant 2022	1,719	876			1,625		970
Strengthening Health Capacity Grant FY2023	49,178	160,163			127,127		82,214
Safe and Secure Communities 2022		2,835					2,835
COVID-19 Vaccination Spplmntl FY22-Yr2	3,404	34,879			26,200		12,083
WIC 2022-2023 Grant	846	869,402	\$ 10,351		824,032		56,567
Recycling Tonnage Grant (FY2019)		100,892					100,892
Alcohol Education Rehab 2022		13,424					13,424
Clean Communities 2022		81,831					81,831

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

	Balance December 31, 2022		Increased by:		Expended	Balance December 31, 2023		
	Encumbered	Reserved	Budget Appropriation	Cancelled Encumbrances		Encumbered	Reserved	
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					1,432	58,970
Senior Transportation County Reimb - 2020		60,402						60,402
Clean Communities 2021		79,303						79,303
Alcohol Education and Rehab 2023			\$	17,522				17,522
ARP Automated License Plate Reader Initiative				148,253				148,253
Assistance to Firefighter Grant (AFG) FY 2022				406,319			406,319	-
Body Armor Grant 2022				9,148	\$	8,426	722	-
Byrne Memorial JAG 2022				230,839				230,839
Byrne Memorial JAG 2023				260,492				260,492
Childhood Lead FY2024				794,349		142,642	2,685	649,022
Clean Communities Grant 2023				91,785				91,785
Click It or Ticket 2023 Seat Belt Mobilization				10,500		10,080		420
Community Mental Health Grant 2023-Local				10,000		848		9,152
Community Project Funding FY2022-Transformative RR Project				883,000				883,000
COVID-19 Vaccination Supplemental FY22 Year 3				20,000		16,811		3,189
Distracted Driving Crackdown 2023				12,250		5,040		7,210
Drive Sober Labor Day Crackdown 2023				10,500		8,715		1,785
Food Security Planning Grant				125,000				125,000
HOPWA 2022				82,500		71,183	4,982	6,335
Lead Grant Assistance Program 2023				111,400				111,400
Lead Remediation and Abatement FY2023				480,189			48,000	432,189
Local Recreation Improvements 2023-Colonel Johnson Park				76,000		5,182	59,718	11,100
Municipal Alliance FY2024				17,312		6,830	484	9,998
National Opioids Settlement Funds				258,111				258,111
National WIC Association Sub-Grant				3,089		1,707		1,382
NJACCHO Enhancing Local Public Health Infrastructure				728,740		16,519	554,998	157,223
NJDA Spotted Lanternfly Grant				15,000		14,957		43
NJDCA FY23 Legislative Grant Parking Deck				10,000,000				10,000,000
NJDCA FY23 Legislative Grant Pulaski Park Extension				6,000,000				6,000,000
NJDEP Green Acres 2023-3rd Ward Memorial Park Impvts.				1,400,000				1,400,000
NJDEP Stormwater Assistance Grant				25,000				25,000
NJDEP Urban Parks Initiative 2023-3rd Ward Memorial Park Impvts.				500,000				500,000
NJDOT (Federal) Safe Routes to School FY2022				425,000				425,000
NJDOT (Federal) TAPS Grant 2023-Hamilton Ave and State St.				454,000				454,000
NJDOT Local Aid Infrastructure Fund FY2022-Myrtle Ave.				365,000		963	20,644	343,393
NJDOT Local Transportation Projects Fund FY2023-Delaware Ave., Oak, etc.				1,700,000				1,700,000
NJDOT Municipal Aid Program FY2023				922,775		7,428	39,965	875,382

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

	Balance		Increased by:			Balance	
	December 31, 2022		Budget	Cancelled	Expended	December 31, 2023	
	<u>Encumbered</u>	<u>Reserved</u>	<u>Appropriation</u>	<u>Encumbrances</u>		<u>Encumbered</u>	<u>Reserved</u>
NJDOT Safe Streets to Transit FY2023-Multi Intersection Project 16			\$ 510,000		\$ 8,508	\$ 19,478	\$ 482,014
NJDOT Youth Corps' Urban Gateway Enhance 2023			32,000		26,958	2,100	2,942
NPP 2023 Year 3			125,000		113,511		11,489
NPP ARP FY2023			238,764				238,764
Patrick Leahy Bulletproof Vest 2021			37,150		10,743		26,407
Patrick Leahy Bulletproof Vest 2022			25,561				25,561
Patrick Leahy Bulletproof Vest 2023			14,746				14,746
Pedestrian Safety Grant 2023			35,000		29,120		5,880
Public Safety Answering Point Grant FY2023			195,136			195,136	-
Recycling Tonnage Grant 2023 (FY2020)			104,958				104,958
ROID FY23			20,000		20,000		-
Ryan White 2023			146,840		79,801	488	66,551
Safe and Secure 2023			48,600				48,600
Stationhouse Adjustment 2023 - Passaic			41,091		38,268	1,739	1,084
Stationhouse Adjustment 2023 - Regional			45,000		44,324	423	253
Strengthening Public Health Capacity FY2024			406,046		80,824	24,963	300,259
Summer Food 2023			149,741		82,865		66,876
UEZ Administration 2023			283,237		247,572		35,665
UEZ Carnie Bragg Park Phase 1			50,000				50,000
UEZ Clean Sweep 2022-2023			522,500		362,633	31,325	128,542
UEZ Façade and Signage 2022-2023			200,000				200,000
UEZ Graffiti Eradication 2022-2023			98,700		59,261	5,488	33,951
UEZ Loan Program 2022-2023			330,000				330,000
UEZ Market St. Improvements 2022-2023			50,000				50,000
UEZ Marketing Project 2023			150,000		5,300		144,700
UEZ Riverwalk at Market and South St.			220,000			9,950	210,050
USDA FY2023 Community Garden Project]			20,000				20,000
WIC FY2024			1,226,260		281,935	6,758	937,567
COPS Hiring Grant 2023			2,000,000				2,000,000
Drunk Driving Enforcement Fund 23-24			33,902				33,902
UEZ 2023 Business District Surveillance Camera Project			199,748				199,748
UEZ 2023 Business Expansion Grant Project	-	-	100,000	-	-	-	100,000
	<u>\$ 3,276,550</u>	<u>\$ 32,205,650</u>	<u>\$ 34,264,404</u>	<u>\$ -</u>	<u>\$ 15,577,559</u>	<u>\$ 2,434,836</u>	<u>\$ 51,734,209</u>
Due from Current Fund			<u>\$ 34,264,404</u>				
Cash Disbursements					\$ 7,561,574		
Due to Current Fund - ARP Funds					6,050,000		
Due to Current Fund					<u>1,965,985</u>		
					<u>\$ 15,577,559</u>		

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

	Balance December 31, <u>2022</u>	Cash <u>Receipts</u>	Realized as Current Fund <u>Revenue</u>	Balance December 31, <u>2023</u>
Multicultural - 2015	\$ 700			\$ 700
Multicultural-2019	1,591			1,591
Opioid Settlement Funds	164,897	\$ 12,360	\$ 164,897	12,360
UEZ 2023 Admin Budget	283,237		283,237	-
UEZ 2022 Clean Sweep	522,500		522,500	-
Body Armor Grant 2022	9,148	10,802	9,148	10,802
UEZ 2022 Loan Program	330,000	-	330,000	-
	<u>\$ 1,312,073</u>	<u>\$ 23,162</u>	<u>\$ 1,309,782</u>	<u>\$ 25,453</u>

EXHIBIT A-34

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

Balance, December 31, 2022	\$ 1,455,539
Increased by:	
Due from Current Fund	<u>500,000</u>
	1,955,539
Decreased by:	
Cash Disbursements	<u>32,915</u>
Balance, December 31, 2023	<u>\$ 1,922,624</u>

EXHIBIT A-35

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

Balance, December 31, 2022	<u>\$ 388,806</u>
Balance, December 31, 2023	<u>\$ 388,806</u>

**TRUST FUND**

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

	Animal Control Fund	Other Trust Fund	Community Development Block Grant Fund	Home Investment Program Fund
Balance, December 31, 2022	\$ 24,180	\$ 17,398,566	\$ 1,019,654	\$ 410,673
Increased by:				
Animal Licenses	7,826			
Late Fees/Adoption Fees	7,092			
Due State of New Jersey	1,661			
Interest Earned	15		1,714	
Miscellaneous Reserves and Deposits		79,706,851		
Receipts for Current Fund		157,808		
Program Income			453	5,223
HUD - CDBG Program Allotments			849,870	
HUD - HOME Program Allotments	-	-	-	878,000
	<u>16,594</u>	<u>79,864,659</u>	<u>852,037</u>	<u>883,223</u>
	<u>40,774</u>	<u>97,263,225</u>	<u>1,871,691</u>	<u>1,293,896</u>
Decreased by:				
Due State of New Jersey	1,670			
Animal Control Expenditures	20,482			
Miscellaneous Reserves and Deposits		80,276,009		
Encumbrances Payable	9,855			
HUD-CDBG Program Expenditures			809,224	
Payments made for Current Fund	754	4,630,638		
Payments made for Grant Fund				
Payments made for CDBG Fund				900
Payments to Sewer Utility Operating Fund				
Payments made for General Capital Fund				
HUD - Home Investment Program Expenditures	-	-	-	635,138
	<u>32,761</u>	<u>84,906,647</u>	<u>809,224</u>	<u>636,038</u>
Balance, December 31, 2023	<u>\$ 8,013</u>	<u>\$ 12,356,578</u>	<u>\$ 1,062,467</u>	<u>\$ 657,858</u>

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

Balance, December 31, 2022		\$ 212
Increased by:		
Cash Receipts		<u>1,661</u>
		1,873
Decreased by:		
Cash Disbursed		<u>1,670</u>
Balance, December 31, 2023		<u><u>\$ 203</u></u>

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

Balance, December 31, 2022		\$ 18,135
Increased by:		
Cash Receipts		
Dog Licenses	\$ 7,168	
Cat Licenses	658	
Late Fees/Adoption Fees	<u>7,092</u>	
		\$ 14,918
Received by Current Fund		<u>1,596</u>
		<u>16,514</u>
		34,649
Decreased by:		
Cash Disbursements	20,482	
Encumbrances Payable	<u>2,715</u>	
		<u>23,197</u>
Balance, December 31, 2023		<u><u>\$ 11,452</u></u>

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

Balance, December 31, 2022		\$ 4,022	
Increased by:			
Cash received by Current Fund	\$ 1,596		
Payments made for Current Fund	<u>754</u>		
		<u>2,350</u>	
			6,372
Decreased by:			
Interest Earned			<u>15</u>
Balance, December 31, 2023		<u>\$ 6,357</u>	

**STATEMENT OF ENCUMBRANCES PAYABLE  
ANIMAL CONTROL FUND**

Balance, December 31, 2022		\$ 9,855	
Increased by:			
Charges to Reserve for Expenditures		<u>2,715</u>	
			12,570
Decreased by:			
Cash Disbursements		<u>9,855</u>	
Balance, December 31, 2023		<u>\$ 2,715</u>	

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

Balance, December 31, 2022		\$ <u>200</u>
Balance, December 31, 2023		\$ <u><u>200</u></u>

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

Balance, December 31, 2022		\$ 8,884,175
Increased by:		
Other Trust Reserves and Deposits:		
2022 Appropriation Reserves	\$ 2,620,000	
Deposits Received in Current Fund	<u>726,940</u>	
		\$ 3,346,940
Payments for Current Fund		<u>4,630,638</u>
		<u>7,977,578</u>
		16,861,753
Decreased by:		
Other Trust Reserves and Deposits:		
Receipts for Current Fund - MRNA	139,650	
Receipts for Current Fund - MRA	<u>18,158</u>	
		157,808
Payments made by Current Fund		4,682,489
2022 Anticipated Current Fund Revenue - POD Vehicle Fee		<u>150,000</u>
		<u>4,990,297</u>
Balance, December 31, 2023		\$ <u><u>11,871,456</u></u>

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

Balance, December 31, 2022		\$ 1,472,931
Increased by:		
Other Trust Fund Receipts Deposited in the Grant Fund		<u>918,683</u>
Balance, December 31, 2023		\$ <u><u>2,391,614</u></u>

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

	Balance, December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
Police Funds	\$ 79,108		\$ 40,847	\$ 38,261
Police Donation SWAT	900			900
EMS Facility	751			751
Fire Line Safety Reg.	320,661	\$ 408,493	419,796	309,358
Fire Permits and Fines	14,919	1,050		15,969
Fire Dedicated Funds	4,515	1,050	4,994	571
Developers Performance Bond	20,000			20,000
Unemployment Compensation Insurance	2,221,922	217,393	88,927	2,350,388
Self Insurance Workman's Compensation Claims	251,562	3,546,485	3,697,282	100,765
Parking Offences Adjudication Act Fees	88,203	18,474	13,522	93,155
Self-Insurance General Liability Claims	4,352,420	2,598,221	4,397,382	2,553,259
Storm Recovery	1,527,408	927,519	215,269	2,239,658
Donations - Mayor	3,740			3,740
Donations - Animal Control	10,470	4,000		14,470
Donations - Dignity House	300			300
Donations - Relocation Assistance	3,388			3,388
Donations - Multicultural Affairs	25,425	21,050	45,825	650
Donations - Toys for Kids	525			525
Donations - Turkey Giveaways	200			200
Donations - Target	1			1
Donations - Senior Citizen	2,861	1,686		4,547
Substance Abuse - Treatment	27,954	31,865	25,419	34,400
Substance Abuse - NJ Medical Assistance Program	99,630	292,292	255,352	136,570
NJ ACH Death Certificate	192,392	15,930		208,322
Recreation - Donations	18,248	10,500	7,601	21,147
Recreation Official Fee	7,955			7,955
Recreation Team Ceremony Fees	71			71
Affordable Housing - Reserve	30,662			30,662
Accumulated Sick and Vacation	5,939,930	1,450,000	1,251,766	6,138,164
Flexible Spending Deposits	27,671	38,721	23,325	43,067
Health Benefit Insurance	6,286,051	1,300,100	708,089	6,878,062
Payroll Deductions/Pension/ Salary Deposits	780,185	68,182,868	68,513,388	449,665
Regional Contribution Agreement	64,748			64,748
Marriage License Fees	14,522	6,800	5,925	15,397
Festival Performance Bonds	59,098	14,340	13,995	59,443
Primary General Election Deposits	53,442	65,776	117,106	2,112
Tax Sale Premium Deposits	3,266,951	432,700	2,116,300	1,583,351
Tax Redemption Deposits	118,157	1,564,160	1,411,087	271,230
Soccer Game Escrow (BOE)	1,340			1,340
Park Improvements - Recreation Donation	10,000			10,000
Demolition & Performance Bond Deposits	117,042	12,000	2,000	127,042
Developers Housing Escrow Deposits	465,900	90,900	84,300	472,500
Zoning Developers Escrow	186,886	54,121	57,541	183,466
Planning Developers Escrow	245,134	78,855	65,735	258,254
UCC Permit Fees		714,251		714,251
Elevator Inspection Fees	332,961	117,938	71,175	379,724
Nextel Rebanding Escrow Deposit	10,239			10,239
Fire Prevention Security	970			970
Police Off Duty Fees	300,454	1,442,936	1,454,550	288,840
Payment in Lieu of Parking	168,000	310,000	-	478,000
	<u>\$ 27,755,872</u>	<u>\$ 83,972,474</u>	<u>\$ 85,108,498</u>	<u>\$ 26,619,848</u>

Cash Receipts	\$ 79,706,851		
Cash Disbursed		\$ 80,276,009	
Due to/from Current Fund	3,346,940	4,832,489	
Due from Grant Fund	918,683	-	
	<u>\$ 83,972,474</u>	<u>\$ 85,108,498</u>	

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

Balance, December 31, 2022	\$ 3,196,166
Increased by:	
Program Allotment - CDBG Year 49	<u>1,232,624</u>
	4,428,790
Decreased by:	
Cash Receipts	
CDBG	<u>849,870</u>
Balance, December 31, 2023	<u><u>\$ 3,578,920</u></u>

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

Balance, December 31, 2022		\$ 3,293,567
Increased by:		
Program Income	\$ 453	
Program Allotment - CDBG Year 49	<u>1,232,624</u>	
		<u>1,233,077</u>
		4,526,644
Decreased by:		
CDBG/ESG Expenditures:		
Cash Disbursements Grant Allotment/Program Income	809,224	
Payments made by Current Fund	52,423	
Payments made by Home Investment Fund	<u>900</u>	
		<u>862,547</u>
Balance, December 31, 2023		<u>\$ 3,664,097</u>
	<u>Analysis of Balance - December 31, 2023</u>	
	Program Income - CDBG - Unapprop.	\$ 94,856
	Program Years CDBG - Approp. Res.	3,566,243
	Program Income - ESG - Unapprop.	<u>2,998</u>
		<u>\$ 3,664,097</u>

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

Balance, December 31, 2022	\$ 7,941,096
Increased by:	
Grant Allotments	
Current Year Allotment - Year 49	<u>1,096,575</u>
	9,037,671
Decreased by:	
Cash Receipts - HUD	<u>878,000</u>
Balance, December 31, 2023	<u>\$ 8,159,671</u>

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

Balance, December 31, 2022	\$ <u>155,454</u>
Balance, December 31, 2023	<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, 2022	\$ <u>455,237</u>
Balance, December 31, 2023	<u>\$ 455,237</u>

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

Balance, December 31, 2022	\$ <u>8,122</u>
Balance, December 31, 2023	\$ <u><u>8,122</u></u>

EXHIBIT B-16

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

Balance, December 31, 2022	\$ 881,418
Increased by:	
Payments made by Current Fund	\$ 52,423
Interest Earned	<u>1,714</u>
	<u>54,137</u>
Balance, December 31, 2023	\$ <u><u>935,555</u></u>

EXHIBIT B-17

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

Balance, December 31, 2022	\$ <u>94,505</u>
Balance, December 31, 2023	\$ <u><u>94,505</u></u>

EXHIBIT B-18

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

Balance, December 31, 2022	\$ <u>167,036</u>
Balance, December 31, 2023	\$ <u><u>167,036</u></u>

EXHIBIT B-19

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

Balance, December 31, 2022	\$ 93,662
Increased By:	
Payments made for CDBG Fund	<u>900</u>
Balance, December 31, 2023	\$ <u><u>94,562</u></u>

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

Balance, December 31, 2022	\$ 526,405
Increased by:	
Payments made by Current Fund	245,344
Balance, December 31, 2023	\$ 771,749

EXHIBIT B-21

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

Balance, December 31, 2022	\$ 8,086,062
Increased by:	
Grant Allotments	
Current Year Allotment - Year 49	\$ 1,096,575
Program Income - Loan Program	5,223
	1,101,798
	9,187,860
Decreased by:	
Cash Disbursements Grant Allotment/Program Income	635,138
Payments made by Current Fund	245,344
	880,482
Balance, December 31, 2023	\$ 8,307,378

Analysis of Balance - December 31, 2023

Program Income - Unappropriated	\$ 161,676
Program Years Appropriated Reserves	8,145,702
	\$ 8,307,378

**GENERAL CAPITAL FUND**

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

Balance, December 31, 2022	\$ 2,085,840
Increased by Receipts:	
Interest Earned	<u>1,810</u>
	2,087,650
Decreased by Disbursements:	
Encumbrances Payable	<u>510,500</u>
Balance, December 31, 2023	<u>\$ 1,577,150</u>

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

		Balance December 31, <u>2023</u>
Capital Improvement Fund		\$ 1,214,806
Fund Balance		315,714
Encumbrances Payable		11,810
Due From Current Fund		(1,312,750)
Reserve for Road, Park and Sewer Improvements		647,542
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
2101-17	Various Capital Improvements	1,545
2158-18	Remediation of DPW Garage and NJ Clean Energy Direct Install	142,249
2169-18	Various Capital Improvements	320,879
2242-19	Purchase of 99-11 Passaic Street	52,807
2305-21	Various Capital Improvements	45,744
		<u>1,577,150</u>
		<u>\$ 1,577,150</u>

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

Balance, December 31, 2022		\$	879,637
Increased by:			
Reserve for Road, Sewer, and Park - 2022 Budget Appropriation	\$		184,923
Capital Improvement Fund - 2023 Budget Appropriation			<u>250,000</u>
			<u>434,923</u>
			1,314,560
Decreased by:			
Interest Earned			<u>1,810</u>
Balance, December 31, 2023		\$	<u><u>1,312,750</u></u>

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

Balance, December 31, 2022		\$	17,491,695
Decreased by:			
Payment of Bonds - Budget Appropriation	\$		1,580,000
Payment of Loans- Budget Appropriation			<u>59,084</u>
			<u>1,639,084</u>
Balance, December 31, 2023		\$	<u><u>15,852,611</u></u>

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

Ord. <u>No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2022</u>	2023 <u>Authorizations</u>	Serial Bond <u>Issued</u>	Balance, December 31, <u>2023</u>	<u>Analysis of Balance December 31, 2023</u>  <u>Expended</u>
1036-88	Various Improvements	\$ <u>2,075</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,075</u>	\$ <u>2,075</u>
		\$ <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, 2022		\$ 964,806
Increased by:		
Due from Current Fund - 2023 Budget Appropriation		<u>250,000</u>
Balance, December 31, 2023		<u><u>\$ 1,214,806</u></u>

**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2022		\$ 559,040
Increased by:		
Charges to Improvement Authorizations		<u>4,976</u>
		564,016
Decreased by:		
Payments	\$ 510,500	
Encumbrances Payable Cancelled	<u>41,706</u>	
		<u><u>552,206</u></u>
Balance, December 31, 2023		<u><u>\$ 11,810</u></u>

**CITY OF PASSAIC  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance,</u> <u>December 31, 2022</u>		<u>Encumbrances</u> <u>Payable</u>	<u>Expended</u>	<u>Balance,</u> <u>December 31, 2023</u>	
		<u>Funded</u>	<u>Unfunded</u>	<u>Cancelled</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	
2101-17	Various Capital Improvements			\$ 1,545		1,545	
2158-18	Remediation of DPW Garage and NJ Clean Energy Direct Install Project	142,249				142,249	
2169-18	Various Capital Improvements	280,718		40,161		320,879	
2242-19	Purchase of 99-11 Passaic Street	52,807				52,807	
2305-21	Various Capital Improvements	<u>50,720</u>	<u>-</u>	<u>-</u>	<u>\$ 4,976</u>	<u>45,744</u>	<u>-</u>
		<u>\$ 565,373</u>	<u>\$ -</u>	<u>\$ 41,706</u>	<u>\$ 4,976</u>	<u>\$ 602,103</u>	<u>\$ -</u>
				Encumbrances Payable	<u>\$ 4,976</u>		

**CITY OF PASSAIC  
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose.</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2023</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2023</u>
			<u>Date</u>	<u>Amount</u>					
General Obligation Bonds	6/6/2017	\$ 8,581,000	6/15/2024	\$ 600,000	2.000%	\$ 5,681,000		\$ 600,000	\$ 5,081,000
			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%				
General Obligation Refunding Bonds	12/9/2020	3,775,000	8/1/2024	635,000	5.00%	2,525,000		605,000	1,920,000
			8/1/2025	640,000	5.00%				
			8/1/2026	645,000	5.00%				
General Obligation Bonds	8/25/2021	8,916,000	8/15/2024	400,000	2.00%	8,615,000	-	375,000	8,240,000
			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%				
Paid by Budget Appropriation								<u>\$ 1,580,000</u>	

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

Balance, December 31, 2022	\$ 670,695
Decreased by:	
Paid by Budget Appropriation	59,084
Balance, December 31, 2023	\$ 611,611

<u>Ord. No.</u>	<u>Description</u>	
1442-98/1622-04/ 1675-05	Dundee Island Field Rehabilitation	\$ 51,099
1655-05	Pulaski Park Renovation	5,593
1643-04	Roberto Clemente Field Improvements	185,030
1839-10	Pulaski Park Improvements	369,889
		\$ 611,611

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

Balance, December 31, 2022	\$ 462,619
Increase:	
Due from Current Fund - 2022 Appropriation Reserves	<u>184,923</u>
Balance, December 31, 2023	<u>\$ 647,542</u>

**STATEMENT OF RESERVE FOR SALE OF PROPERTY**

Balance, December 31, 2022	<u>\$ 100,000</u>
Balance, December 31, 2023	<u>\$ 100,000</u>

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

<u>Ord. No.</u>	<u>Description</u>	Balance December 31, <u>2022</u>	Balance December 31, <u>2023</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, 2022	\$ 1,456,340	\$ 6,611
Increased by Receipts:		
Sewer Rents Received	\$ 7,067,106	
Other Accounts Receivable	106,328	
Prepaid Rents	234,113	
Interest Earned		\$ 6
Received from Current Fund	250,000	
Miscellaneous Revenue Not Anticipated	<u>9,708</u>	<u>-</u>
	<u>7,667,255</u>	<u>6</u>
	9,123,595	6,617
Decreased by Disbursements:		
2023 Budget Appropriations	6,904,317	
Interest on Bonds	<u>5,682</u>	<u>-</u>
	<u>6,909,999</u>	<u>-</u>
Balance, December 31, 2023	<u>\$ 2,213,596</u>	<u>\$ 6,617</u>

EXHIBIT D-5

**ANALYSIS OF SEWER CAPITAL CASH**

	Balance December 31, <u>2023</u>
Due to Sewer Utility Operating Fund	\$ 57
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, 2023	<u>\$ 8,640</u>

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

Balance, December 31, 2022	\$ 1,447,299
Increased by:	
Sewer Rents Levied - Net	<u>6,847,477</u>
	8,294,776
Decreased by:	
Sewer Rents Collected:	
Cash Receipts from Passaic Valley Water Commission	<u>7,067,106</u>
Balance, December 31, 2023	<u>\$ 1,227,670</u>

EXHIBIT D-7

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

Balance, December 31, 2022	\$ 9,325
Increased by:	
St. Mary's Sewer Rents Levied - Net	<u>103,249</u>
	112,574
Decreased by:	
Cash Receipts	<u>106,328</u>
Balance, December 31, 2023	<u>\$ 6,246</u>

EXHIBIT D-8

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

	Balance December 31, 2022	Added in 2023	Reduced in 2023 Budget	Balance December 31, 2023
Special Emergency Authorization - COVID 19	\$ 390,400		\$ 97,600	\$ 292,800
Operating Deficit	<u>417,745</u>	<u>\$ -</u>	<u>417,745</u>	<u>-</u>
	<u>\$ 808,145</u>	<u>\$ -</u>	<u>\$ 515,345</u>	<u>\$ 292,800</u>

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

	<u>Balance, December 31, 2022</u>	<u>Balance, December 31, 2023</u>
Sanitary Sewer System	\$ 5,577,974	\$ 5,577,974
Sewer Jet Cleaning Truck	185,000	185,000
T.V. Camera Truck	<u>125,000</u>	<u>125,000</u>
	<u>\$ 5,887,974</u>	<u>\$ 5,887,974</u>

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

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance, December 31, 2022</u>	<u>Balance, December 31, 2023</u>
2032-15	Improvements and Repairs to Sewer Pipes	<u>\$ 35,766</u>	<u>\$ 35,766</u>
		<u>\$ 35,766</u>	<u>\$ 35,766</u>

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

Balance, December 31, 2022		\$ 2,158,053
Increased by:		
Cash Receipts	\$ 250,000	
Cancelled 2022 Appropriation Reserves	12,852	
Payments Made by Current Fund for Sewer Utility Operating Fund Budget	143,479	
		406,331
		2,564,384
Decreased by:		
Anticipated Revenue - Deficit (General Budget)		512,977
Balance, December 31, 2023		\$ 2,051,407

EXHIBIT D-12

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

Balance, December 31, 2022		\$ 51
Increased by:		
Interest Earned		6
Balance, December 31, 2023		\$ 57

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

Balance, December 31, 2022	\$	1,001
Increased by:		
Charges to Budget Appropriations		87,083
		88,084
Decreased by:		
Cancelled Encumbrances		1,001
Balance, December 31, 2023	\$	87,083

**STATEMENT OF PREPAID RENTS  
SEWER UTILITY OPERATING FUND**

Increased by:		
Cash Receipts	\$	234,113
Balance, December 31, 2023	\$	234,113

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

Balance, December 31, 2022	\$ 5,682
Increased by:	
Charges to Budget Appropriations	
Interest on Bonds	<u>3,983</u>
	9,665
Decreased by:	
Interest Paid	<u>5,682</u>
Balance, December 31, 2023	<u><u>\$ 3,983</u></u>

**CITY OF PASSAIC  
STATEMENT OF 2022 APPROPRIATION RESERVES  
SEWER UTILITY OPERATING FUND**

	Balance December 31, <u>2022</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modifications</u>	<u>Balance Lapsed</u>
<b>OPERATING</b>				
Other Expenses	\$ 11,051	\$ 1,001	\$ 12,052	\$ 12,052
Sewer Treatment Expenses	73		73	73
Sewer Maintenance Fee - Contractual	<u>727</u>	<u>-</u>	<u>727</u>	<u>727</u>
	<u>\$ 11,851</u>	<u>\$ 1,001</u>	<u>\$ 12,852</u>	<u>\$ 12,852</u>
			Due to Current Fund	<u>\$ 12,852</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</u>		<u>Balance</u>	
			<u>December 31, 2022</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2023</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, 2022	\$ 5,147,974
Increased by:	
Serial Bonds Paid by Operating Budget	<u>120,000</u>
Balance, December 31, 2023	<u>\$ 5,267,974</u>

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

Balance, December 31, 2022	<u>\$ 35,766</u>
Balance, December 31, 2023	<u>\$ 35,766</u>

**Analysis of Balance - December 31, 2023**

<u>Ord.</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, 2023</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2023</u>
			<u>Date</u>	<u>Amount</u>					
Sewer Bonds of 2017	6/6/2017	\$ 646,000	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%	\$ 446,000		\$ 40,000	\$ 406,000
Sewer Refunding Bonds of 2020	12/9/2020	420,000	8/1/2024	85,000	5.000%				
			8/1/2025	85,000	5.000%	<u>250,000</u>	\$ -	<u>80,000</u>	<u>\$ 170,000</u>
						<u>\$ 696,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 576,000</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, 2022	\$ <u>14,794</u>
Balance, December 31, 2023	\$ <u>14,794</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2022</u>	Balance, December 31, <u>2023</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**

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**PART II**

**SINGLE AUDIT SECTION**



# 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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CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

## 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, 2023, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2024. 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 opinions 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.

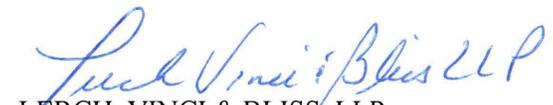
**Report on Compliance and Other Matters**

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.

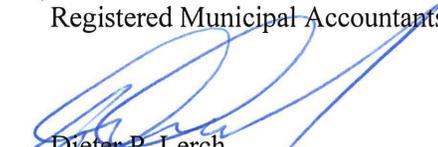
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the City of Passaic in Part III of this report of audit entitled, “Letter of Comments and Recommendations”.

**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 CS000398

Fair Lawn, New Jersey  
June 26, 2024



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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 City 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, 2023. 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, 2023.

***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.

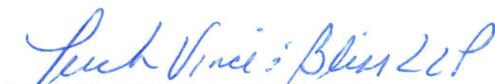
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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, 2023, and the related notes to the financial statements and have issued our report thereon dated June 26, 2024, 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 CS000398

Fair Lawn, New Jersey  
June 26, 2024

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

State Grant Program	CFDA Number	State Acct Number	Grant Award Amount	Grant Receipts	Balance, December 31, 2022	Revenue Realized	Program Income	Expenditures	Adjustment	Balance, December 31, 2023	Cumulative Expended
U.S. Department of Health and Human Services											
Ryan White Title I - 2023	93.924	N/A	\$ 146,840	\$ 51,729		\$ 146,840		\$ 79,801		\$ 67,039	\$ 79,801
Ryan White Title I - 2022	93.924	N/A	143,279	56,989	\$ 106,831			70,189		36,642	106,637
Ryan White Title I - 2021	93.924	N/A	137,441	3,585	16,851			1,925		14,926	122,515
Ryan White Title I - 2020	93.924	N/A	163,806		3,272					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					593,511	146,840	-	151,915	-	588,436	826,051
U.S. Department of Health - (Pass through State Division of Family Health Services)											
Women, Infants, and Children-2023	10.557	046-4220-100-113-22	1,226,260	78,814		1,226,260		281,934		944,326	281,934
Women, Infants, and Children-2023 Sub Grant	10.557	046-4220-100-113-22	3,089	3,089		3,089		1,707		1,382	1,707
Women, Infants, and Children-2022	10.557	046-4220-100-113-22	1,121,619	1,048,728	870,248	10,351		824,032		56,567	1,065,052
Women, Infants, and Children-2022 - Infrastructure	10.557	046-4220-100-113-22	32,800	28,243	32,800					32,800	-
Women, Infants, and Children-2021	10.557	046-4220-100-113-21	1,116,055	165,685	58,590					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					1,210,194	1,239,700	-	1,107,673	-	1,342,221	9,014,753
U.S. Department of Agriculture - (Pass through State Division of Food and Nutrition)											
23 Summer Food Program	10.559	010-3350-100-033-23	149,741	68,037		149,741		82,865		66,876	82,865
22 Summer Food Program	10.559	010-3350-100-033-22	121,342		6,677					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		157,226					157,226	217,334
Total Summer Food Program Cluster					793,885	149,741	-	82,865	-	860,761	1,225,557
U.S. Department of Agriculture - (Pass through State Division of Natural Resources Conservation Services)											
23 Community Garden Project	10.902	NR242B29XXXXC001	20,000			20,000				20,000	-
Pass through Dept of Law and Public Safety-Division of Criminal Justice:											
Byrne Memorial Justice Asst. 2023	16.738	066-1020-100-364-23	260,492			260,492				260,492	-
Byrne Memorial Justice Asst. 2022	16.738	066-1020-100-364-22	230,839			230,839				230,839	-
Byrne Memorial Justice Asst. 2022	16.738	066-1020-100-364-22	203,161		203,161			30,546		172,615	30,546
Byrne Memorial Justice Asst. 2021	16.738	066-1020-100-364-21	169,234		154,203			38,954		115,249	53,985
Byrne Memorial Justice Asst. 2019	16.738	066-1020-100-364-19	180,339	180,318	140,335					4	180,335
Byrne Memorial Justice Asst. 2018	16.738	066-1020-100-364-18	191,956		138,904					8,584	183,372
Byrne Memorial Justice Asst. 2017	16.738	066-1020-100-364-17	203,547		142,090					15,169	188,378
Byrne Memorial Justice Asst. 2016 - TY	16.738	066-1020-100-364-16	225,070		154,937					23,633	201,437
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					941,588	491,331	-	598,376	-	834,543	1,299,805

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

State Grant Program	CFDA Number	State Acct Number	Grant Award Amount	Grant Receipts	Balance, December 31, 2022	Revenue Realized	Program Income	Expenditures	Adjustment	Balance, December 31, 2023	Cumulative Expended
U.S. Department of Homeland Security											
Assistance to Firefighters - 2022	97.044	EMW-2022-FG-05193	406,319			\$ 406,319				\$ 406,319	
Assistance to Firefighters - 2020	97.044	EMW-2020-FG-15839	142,651	\$ 118,487	\$ 142,651	-	-	\$ 115,200	-	27,451	\$ 115,200
					142,651	406,319	-	115,200	-	433,770	115,200
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		147,840					147,840	947,148
Total Fire Safer Program Cluster					335,332	-	-	-	-	335,332	1,961,865
U.S. Department of Transportation - (Pass through State Department of Transportation - Local Municipal Aid Highway Planning and Construction Program Urban Gateway Enhancement Program - 2021 Transportation Trust - Howel/Lincoln/St. Francis	20.205	N/A	\$ 32,000		23,211					23,211	8,789
		078-6320-480-XXX	260,500		61,555					61,555	198,945
Transportation Alternatives Set Aside Program Hamilton Ave and State St Impvts	20.205	TA-2020	454,000			454,000				454,000	-
Market Street PE and FD Phase			141,024		141,024					141,024	-
Railroad ROW			1,000,000		1,000,000					1,000,000	-
Safe Streets to Transit Program	20.205	SST-2021									
Safe Streets to Transit - 2023 Multi Intersection Project 16			510,000			510,000		8,508		501,492	8,508
Safe Routes to School - 2022			425,000			425,000				425,000	-
Safe Streets to Transit Improvements - 2021			200,000		200,000					200,000	-
Total Department of Transportation - Cluster					1,425,790	1,389,000	-	8,508	-	2,806,282	216,242
U.S. Department of Justice - (Pass through Dept of Law and Public Safety- Division of Highway Traffic Safety)											
Drunk Driver Prevention (Drive Sober) - 2023	20.616	066-1160-100-057-22	10,500	7,858		10,500		8,715		1,785	8,715
Drunk Driver Prevention (Drive Sober) - Dec 2021	20.616	066-1160-100-057-22	12,250	9,695	9,730			6,895		2,835	9,415
Drunk Driver Prevention (Drive Sober) - Dec 2021	20.616	066-1160-100-057-21	9,000		1,560					1,560	7,440
Drunk Driver Prevention (Drive Sober) - Dec 2020	20.616	066-1160-100-057-20	9,000		840					840	8,160
Drunk Driver Prevention (Drive Sober) - Dec 2019	20.616	066-1160-100-057-19	5,500		110					110	5,390
Drunk Driver Prevention (Drive Sober) - Dec 2018	20.616	066-1160-100-057-18	5,500		1,375					1,375	4,125
Drunk Driver Prevention (Drive Sober) - Dec 2017	20.616	066-1160-100-057-17	5,500		5,500					5,500	-
Drunk Driver Prevention (Drive Sober) - Sept 2017	20.616	066-1160-100-057-17	5,500		110					110	5,390
Drunk Driver Prevention (Drive Sober)	20.616	066-1160-100-057-16	10,000		425					425	9,575
Drunk Driver Prevention (Drive Sober)	20.616	066-1160-100-057-15	5,000		5,000					5,000	-
Drunk Driver Prevention (Drive Sober)	20.616	066-1160-100-057-XX	7,500		3,800					3,800	3,700
Click It or Ticket - Seat Belt Campaign	20.616	066-1160-100-146-22	10,500	10,360		10,500		10,080		420	10,080
Click It or Ticket - Seat Belt Campaign	20.616	066-1160-100-146-22	10,500		560					560	9,940
Click It or Ticket - Seat Belt Campaign	20.616	066-1160-100-146-21	9,000		960					960	8,040
Click It or Ticket - Seat Belt Campaign	20.616	066-1160-100-146-17	5,500		55					55	5,445
Pedestrian Safety Grant - Walk Safe - 2023	20.609	066-1160-100-146-XX	35,000	32,550		35,000		29,120		5,880	29,120
Pedestrian Safety Grant - Walk Safe - 2022	20.609	066-1160-100-146-XX	35,000		11,160					11,160	23,840
Pedestrian Safety Grant - Walk Safe - 2020	20.609	066-1160-100-146-XX	30,000		10,557					10,557	19,443
Pedestrian Safety Grant - Walk Safe - 2021	20.609	066-1160-100-146-XX	30,000		7,964					7,964	22,036
Pedestrian Safety Grant - Walk Safe	20.609	066-1160-100-146-XX	25,000		21,535					21,535	3,465
Pedestrian Safety Grant - Walk Safe	20.609	066-1160-100-146-XX	18,000		2,925					2,925	14,875
Pedestrian Safety Grant	20.609	066-1160-100-146-XX	16,000		5,850					5,850	10,150
Distracted Driving Crackdown - 2023	20.616	N/A-2023	12,250	5,040		12,250		5,040		7,210	5,040
Distracted Driving Crackdown - 2022	20.616	N/A-2022	12,250		2,590			1,960		630	11,620
Distracted Driving Crackdown - 2021	20.616	N/A-2021	10,500		480					480	10,020
Distracted Driving Crackdown - 2019	20.616	N/A-2018	5,500		330					330	5,170
Distracted Driving Crackdown	20.616	N/A-2018	6,600		2,915					2,915	3,685
Distracted Driving Crackdown	20.616	N/A	5,000		50					50	4,950
Total Highway Safety Cluster					96,381	68,250	-	61,810	-	102,821	258,829

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

State Grant Program	CFDA Number	State Acct Number	Grant Award Amount	Grant Receipts	Balance, December 31, 2022	Revenue Realized	Program Income	Expenditures	Adjustment	Balance, December 31, 2023	Cumulative Expended
U.S. Department of Justice - (Pass through Dept of Law and Public Safety- Office of Community Policing)											
COPS Hiring Grant	16.710	2023-UMWX-0143	\$ 2,000,000			\$ 2,000,000				\$ 2,000,000	-
COPS Hiring Grant	16.710	2020-UMWX-0143	1,000,000	\$ 500,016	\$ 499,984	-	-	-	-	499,984	\$ 500,016
Total COPS Hiring Grant					499,984	2,000,000	-	-	-	2,499,984	500,016
U.S. Department of Justice - (Pass through Dept of Law and Public Safety- Bureau of Justice assistance)											
Corona Virus Emerg. Supplemental Funding Prog.	16.034	2020-VDBX-1360	128,904	124,940	3,964					3,964	124,940
U.S. Department of Justice - (Pass through Dept of Law and Public Safety- Equitable Sharing Program)											
Patrick Leahy Bullet Proof Vest - 2023	16.922	N/A	14,746			14,746				14,746	-
Patrick Leahy Bullet Proof Vest - 2022	16.922	N/A	25,561			25,561				25,561	-
Patrick Leahy Bullet Proof Vest - 2021	16.922	N/A	37,150	5,194		37,150		\$ 10,743		26,407	10,743
Patrick Leahy Bullet Proof Vest - 2020	16.922	N/A	3,600	3,600	3,600					3,600	-
Patrick Leahy Bullet Proof Vest - 2019	16.922	N/A	31,546		18,526	-	-	10,120	-	8,406	23,140
Total Patrick Leahy Cluster					22,126	77,457	-	20,863	-	78,720	33,883
U.S. Department of Housing and Urban Development											
CDBG Entitlement Grants	14.218	N/A	\$ 1,370,222		2,464,036	1,232,624		745,682	\$ (1)	2,950,977	745,682
CDBG - COVID-CV	14.218		1,952,247		826,987			116,865		710,122	116,865
Emergency Solutions Grant	14.231	N/A			2,545	-	\$ 453	-	-	2,998	-
Total CDBG/ESG Cluster					3,293,568	1,232,624	453	862,547	(1)	3,664,097	862,547
U.S. Department of Housing and Urban Development											
Home Investment Partnership Program	14.239	N/A	870,442		4,874,365	1,096,575	5,223	869,739	58,923	5,165,347	869,739
Home Investment Partnership Program - ARP	14.239	N/A	3,154,749		3,152,774	-	-	10,743	-	3,142,031	10,743
Total HOME Cluster					8,027,139	1,096,575	5,223	880,482	58,923	8,307,378	880,482
U.S. Department of Housing and Urban Development											
Community Project Funding - Transformative RR Project	14.251	B-22-CP-NJ-0611	883,000		-	883,000	-	-	-	883,000	-
U.S. Department of Treasury											
Corona Virus State and Local Fiscal Recovery Funds - ARP	21.027		31,131,607		18,187,691			9,380,946		8,806,745	22,324,862
Automated License Plate Reader - ARP	21.027	21-100-066-1020-580	148,253		-	148,253	-	-	-	148,253	-
(Passed Through NJ Department of Community Affairs )											
ARP Firefighter Grant	21.021		31,000		31,000	-	-	31,000	-	-	31,000
Total State and Local Fiscal Recovery Funds ARP - Cluster					18,218,691	148,253	-	9,411,946	-	8,954,998	22,355,862
					\$ 35,604,804	\$ 9,349,090	\$ 5,676	\$ 13,302,185	\$ 58,922	\$ 31,716,307	\$ 41,881,118

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, 2023**

<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, 2022</u>	<u>Revenue Realized</u>	<u>Local Match</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Balance, December 31, 2023</u>	<u>Cumulative Expended</u>
Department of Community Affairs											
Clean Communities Grant	042-4900-765-004-20	2023	\$ 91,785	\$ 91,785		\$ 91,785				\$ 91,785	
Clean Communities Grant	042-4900-765-004-20	2022	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			\$ 16,351		58,121	\$ 16,351
Clean Communities Grant	042-4900-765-004-19	2019	82,586		21,973			18,857		3,116	79,470
Clean Communities Grant	042-4900-765-004-15	2015	79,122		149		-	-		149	78,973
<b>Total Clean Communities Cluster</b>					<u>257,729</u>	<u>91,785</u>	<u>-</u>	<u>35,208</u>	<u>-</u>	<u>314,306</u>	<u>174,794</u>
Department of Community Affairs											
Lead Grant Assistance Program	1607	2023	111,400	111,400		111,400				111,400	-
Lead Remediation and Abatement	2023-02335-0202-00	2023	480,189		-	480,189	-	-	-	480,189	-
<b>Total Cdept of Community Affairs Lead Cluster</b>					<u>-</u>	<u>591,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>591,589</u>	<u>-</u>
Department of Community Affairs											
Local Rec Improvements - Colonel Johnson Pk	2023-04960-0871	2023	76,000			76,000		5,182		70,818	5,182
Recreation Opportunity	022-8050-100-035-13	2023	20,000			20,000		20,000		-	20,000
Recreation Opportunity	022-8050-100-035-13	2022	9,500		9,500			9,500		-	9,500
Recreation Opportunity	022-8050-100-035-13	2019	13,311		198					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
<b>Total Recreation Opportunity Cluster</b>					<u>29,601</u>	<u>96,000</u>	<u>-</u>	<u>34,682</u>	<u>-</u>	<u>90,919</u>	<u>67,752</u>
Recycling Tonnage	042-4900-752-001-20	2023	104,958	104,958		104,958				104,958	-
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		133,363			62,420		70,943	89,324
Recycling Tonnage	042-4900-752-001-16	2016	95,963		1,277		-	-		1,277	94,686
<b>Total Recycling Tonnage Cluster</b>					<u>388,869</u>	<u>104,958</u>	<u>-</u>	<u>62,420</u>	<u>-</u>	<u>431,407</u>	<u>184,010</u>
Municipal Lead Abatement (DCA)	2020-02330-0500	2020	166,877		146,838		-	34,455		112,383	54,494
Department of Health											
Alcohol Education and Rehabilitation	760-046-4240-001	2023	17,522	17,522		17,522				17,522	-
Alcohol Education and Rehabilitation	760-046-4240-001	2022	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		1,014			525		489	12,400
Alcohol Education and Rehabilitation	760-046-4240-001	2017	18,337		8,291					8,291	10,046
Alcohol Education and Rehabilitation	760-046-4240-001	2016	26,650		26,650		-	-		26,650	-
<b>Total Alcohol Education &amp; Rehabilitation Cluster</b>					<u>71,798</u>	<u>17,522</u>	<u>-</u>	<u>525</u>	<u>-</u>	<u>88,795</u>	<u>22,446</u>

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2023

State Grant Program	Account Numbers	Grant Year	Grant Award	Grant Receipts	Balance, December 31, 2022	Revenue Realized	Local Match	Expended	Adjustments	Balance, December 31, 2023	Cumulative Expended
<b>Department of Health</b>											
Child Health - Childhood Lead Exposure - 2019	DFHS19CHD023	2019	\$ 817,000		\$ 235,998					\$ 235,998	\$ 581,002
Child Health - Childhood Lead Exposure - 2018	DFHS18CHD007	2017/2018	575,665		1,647	-	-	-	-	1,647	574,018
<b>Total Child Health</b>					<b>237,645</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237,645</b>	<b>1,155,020</b>
Childhood Lead - 2024	OLPH21CLPO10	2024	794,349	\$ 80,208		\$ 794,349		\$ 142,642		651,707	142,642
Childhood Lead - 2023	OLPH21CLPO10	2023	562,500	444,741	382,662			295,278		87,384	475,116
Childhood Lead - 2022	OLPH21CLPO10	2022	562,500		155,856			85		155,771	406,729
Childhood Lead - 2021	OLPH21CLPO10	2021	562,500		194,011			5,945		188,066	374,434
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
<b>Total Childhood Lead</b>					<b>739,296</b>	<b>794,349</b>	<b>-</b>	<b>443,950</b>	<b>-</b>	<b>1,089,695</b>	<b>2,460,654</b>
<b>Total Childhood Health/Lead Cluster</b>					<b>976,941</b>	<b>794,349</b>	<b>-</b>	<b>443,950</b>	<b>-</b>	<b>1,327,340</b>	<b>3,615,674</b>
<b>Department of Health</b>											
COVID-19 Vaccination Supp. Funding -Year 3	OLPH22VSF059	2023	20,000	9,250		20,000		16,811		3,189	16,811
COVID-19 Vaccination Supp. Funding -2022	OLPH22VSF059	2022	50,000	45,257	38,281			26,200	-	12,081	37,919
COVID-19 Vaccination Supp. Funding -2022	OLPH22VSF059	2021	50,000	15,488	329	-	-	114	-	215	49,785
					<b>38,610</b>	<b>20,000</b>	<b>-</b>	<b>43,125</b>	<b>-</b>	<b>15,485</b>	<b>104,515</b>
<b>Department of Health</b>											
Strength Loc Pub Health Capa Prog - 2024	N/A	2024	406,046	66,203		406,046		80,824		325,222	80,824
Strength Loc Pub Health Capa Prog - 2022	N/A	2023	274,735	174,643	209,341			127,127	-	82,214	192,521
Strength Loc Pub Health Capa Prog - 2022	N/A	2022	291,042		113,090			44,304	-	68,786	222,256
Strength Loc Pub Health Capa Prog - 2021	N/A	2021	142,236		72,549	-	-	-	-	72,549	69,687
<b>Total Strength Loc Pub Health Capa Prog - Cluster</b>					<b>394,980</b>	<b>406,046</b>	<b>-</b>	<b>252,255</b>	<b>-</b>	<b>548,771</b>	<b>565,288</b>
<b>Department of Agriculture</b>											
NJDA Spotted Lanternfly Grant	N/A	2023	15,000	14,957	-	15,000	-	14,957	-	43	14,957
<b>Passed Thru County of Passaic</b>											
Municipal Alliance	N/A	23/24	17,312			17,312		6,830		10,482	6,830
Municipal Alliance	N/A	22/23	17,312	17,310	10,293			10,293		-	17,312
Municipal Alliance	N/A	21/22	17,312		2					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
<b>Total Municipal Alliance Cluster</b>					<b>32,913</b>	<b>17,312</b>	<b>-</b>	<b>17,123</b>	<b>-</b>	<b>33,102</b>	<b>242,561</b>

**CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>State Grant Program</u>	<u>Account Numbers</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Grant Receipts</u>	Balance, December 31, <u>2022</u>	<u>Revenue Realized</u>	<u>Local Match</u>	<u>Expended</u>	<u>Adjustments</u>	Balance, December 31, <u>2023</u>	<u>Cumulative Expended</u>
Multi Cultural	N/A	2015	\$ 700		\$ 700					\$ 700	-
Department of Law and Public Safety											
Drunk Driving Enforcement	1110-448-031020-23	2023	33,902			\$ 33,902				33,902	-
Drunk Driving Enforcement	1110-448-031020-22	2016	28,629		4,000	-	-	-	-	4,000	\$ 24,629
<b>Total Drunk Driving Enforcement Cluster</b>					<u>4,000</u>	<u>33,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,902</u>	<u>24,629</u>
Body Armor Replacement	066-1020-718-001-11	2022	9,148			9,148		\$ 8,426		722	8,426
Body Worn Camera Grant	066-1020-495	2021	244,560		244,560			244,500		60	244,500
Body Armor Replacement	066-1020-718-001-11	2021	6,092		6,092			5,898		194	5,898
Body Armor Replacement	066-1020-718-001-11	2020	14,601		100	-	-	-	-	100	14,501
<b>Total Body Armor Replacement Cluster</b>					<u>250,752</u>	<u>9,148</u>	<u>-</u>	<u>258,824</u>	<u>-</u>	<u>1,076</u>	<u>273,325</u>
Department of Law and Public Safety											
Safe and Secure	066-1020-100-232-16	2023	48,600	\$ 33,615		48,600				48,600	-
Safe and Secure	066-1020-100-232-16	2022	48,600	48,600		2,835				2,835	45,765
Safe and Secure	066-1020-100-232-16	2021	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
<b>Total Safe and Secure Cluster</b>					<u>290,584</u>	<u>48,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,184</u>	<u>166,616</u>
Juvenile Acct. Incen. Bl Grant (Station House)	JAIBG-16-01-02	2023	45,000	22,432		45,000		44,324		676	44,324
Juvenile Acct. Incen. Bl Grant (Station House)	JAIBG-16-01-02	2023	41,091	20,898		41,091		38,268		2,823	38,268
Juvenile Acct. Incen. Bl Grant (Station House)	JAIBG-16-01-02	2022	39,801	2,330	4,699			1,828		2,871	36,930
Juvenile Acct. Incen. Bl Grant (Station House)	JAIBG-16-01-02	2022	45,000	21,067	2,595			1,625		970	44,030
Juvenile Acct. Incen. Bl Grant (Station House)	JAIBG-16-01-02	2021	45,000		30,383					30,383	14,617
Juvenile Acct. Incen. Bl Grant (Station House)	JAIBG-16-01-02	2020	35,462		377					377	35,085
Juvenile Acct. Incen. Bl Grant (Station House)	JAIBG-16-01-02	2020	8,209		7,756					7,756	453
Juvenile Acct. Incen. Bl Grant (Station House)	JAIBG-16-01-02	2019	34,762		84					84	34,678
Juvenile Acct. Incen. Bl Grant (Station House)	JAIBG-16-01-02	2019	11,359		3,094					3,094	8,265
Juvenile Acct. Incen. Bl Grant (Station House)	JAIBG-16-01-02	2018	34,762		237					237	34,525
Juvenile Acct. Incen. Bl Grant (Station House)	JAIBG-16-01-02	2017	19,762		870					870	18,892
Juvenile Acct. Incen. Bl Grant (Station House)	JAIBG-16-01-02	2015	19,792		36	-	-	-	-	36	19,756
<b>Total Juvenile Acct. Incentive Block Cluster</b>					<u>50,131</u>	<u>86,091</u>	<u>-</u>	<u>86,045</u>	<u>-</u>	<u>50,177</u>	<u>329,823</u>

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2023

<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, 2022</u>	<u>Realized</u>	<u>Local Match</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Balance, December 31, 2023</u>	<u>Cumulative Expended</u>
<b>Department of Commerce and Economic Development</b>											
Urban Enterprise Zone Assistance Fund (UEZ)	2830-763-250-XXX-50										
23- Administration	UEZA	2023	\$ 283,237			\$ 283,237		\$ 247,572		\$ 35,665	\$ 247,572
23-Carnie Bragg Park Phase I	UEZA	2023	50,000	\$ 50,000		50,000				50,000	-
23-Clean Sweep	UEZA	2023	522,500			362,633		362,633		-	522,500
23-Façade and Signage	UEZA	2023	200,000	200,000		200,000				200,000	-
23-Graffiti Eradication	UEZA	2023	98,700	98,700		98,700		59,261		39,439	59,261
23-Loan Program	UEZA	2023	330,000			330,000				330,000	-
23-Market Street Improvements	UEZA	2023	50,000	50,000		50,000				50,000	-
23-Marketing Project	UEZA	2023	150,000	150,000		150,000		5,300		144,700	5,300
23 - Riverwalk at Market and South St	UEZA	2023	220,000	220,000		220,000				220,000	-
23-Business District Surveillance Camera Proj	UEZA	2023	199,748	199,748		199,748				199,748	-
23-UEZ 2023 Business Expansion Project	UEZA	2023	100,000	100,000		100,000				100,000	-
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)	-	123,603
<b>Total Urban Enterprise Zone Cluster</b>					<b>107,287</b>	<b>2,044,318</b>	<b>-</b>	<b>674,766</b>	<b>(9,987)</b>	<b>1,466,852</b>	<b>1,064,763</b>
<b>Department of Economic Development</b>											
Food Security Planning Grant	N/A	2023	125,000	62,500	-	125,000	-	-	-	125,000	-
<b>Department of Transportation</b>											
Youth Corp's Urban Gateway Enhanc. Prog	N/A	2023	32,000			32,000		26,958		5,042	26,958
Local Transp. Proj. Fd. - Delaware Ave, Oak, etc.	N/A	2023	1,700,000			1,700,000				1,700,000	-
Local Aid Infrastructure Fund - Myrtle Ave	N/A	2022	365,000			365,000		963		364,037	963
Local Freight Impact Fund - 8th St. Impvt.	N/A	2022	950,000		950,000			38,033		911,967	38,033
Municipal Aid Program - 2023	078-6320-480-XXX	2023	922,775			922,775		7,428		915,347	7,428
Municipal Aid Program - 2022	078-6320-480-XXX	2022	782,700		778,116			388,534		389,582	393,118
Municipal Aid Program - 2021	078-6320-480-XXX	2021	754,435		231,066			196,067		34,999	719,436
Municipal Aid Program - 2020	078-6320-480-XXX	2020	883,174		129,384					129,384	753,790
Transp. Trust - Multi Impvt Project - 2022	078-6320-480-XXX	2022	2,000,000		2,000,000			43,109		1,956,891	43,109
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		158,318					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		684,396					684,396	-
<b>Total Transportation Cluster</b>					<b>5,697,258</b>	<b>3,019,775</b>	<b>-</b>	<b>701,092</b>	<b>-</b>	<b>8,015,941</b>	<b>4,098,294</b>

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2023

<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, 2022</u>	<u>Realized</u>	<u>Local Match</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Balance, December 31, 2023</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	N/A	2022	82,500	\$ 82,500		\$ 82,500		\$ 71,183		11,317	71,183
Housing Opportunity Grant - Covid 19	N/A	2021	10,224		3,394					3,394	6,830
Housing Opportunity Grant	N/A	2021	150,000	103,435	50,145			48,533		1,612	148,388
Housing Opportunity Grant	N/A	2020	150,000	10,224	22,359					22,359	127,641
Housing Opportunity Grant	N/A	2019	150,000	311	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					164,425	82,500	-	119,716	-	127,209	965,125
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 Information Technology - Eme Emergency Telecom. Serv. - Public Safety Answering Point Grant		2023	195,136	195,136	-	195,136	-	-	-	195,136	-
NJ Office of Emergency Management Hazard Mitigation Grant		2016	250,000		13,958					13,958	236,042
US Lacrosse National Diversity	N/A	2018	2,000		2,000					2,000	-
Recreation - Womens Sports		2019	5,000		3,784			1,920		1,864	3,136
NJ Department of Community Affairs Neighborhood Preservation Program	N/A	2021	125,000	125,000	9,205	-	-		-	9,205	115,795
Neighborhood Preservation Program - 2023		2023	125,000	112,500		125,000		113,511		11,489	113,511
Neighborhood Preservation Program - ARP 2023		2023	238,764		-	238,764	-	-	-	238,764	-
Total NJ Dept of Community Affairs - Neighborhood Preservation Program					9,205	363,764	-	113,511	-	259,458	229,306

CITY OF PASSAIC  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2023

State Grant Program	Account Numbers	Grant Year	Grant Award	Grant Receipts	Balance, December 31, 2022	Realized	Local Match	Expended	Adjustments	Balance, December 31, 2023	Cumulative Expended
NJ Department of Community Affairs											
Legislative Grant - Parking Deck	2023-09027-0121-00	2023	\$ 10,000,000			\$ 10,000,000				\$ 10,000,000	-
Legislative Grant - Pulaski Park Extension	2023-09032-0126-00	2023	6,000,000		-	6,000,000	-	-	-	6,000,000	-
Total NJ Dept of Community Affairs - Legislative Grant Program					-	16,000,000	-	-	-	16,000,000	-
NJ Association of County and City Health Officials (NJACCHO)											
Enhancing Local Public Health Inf	N/A	2023	728,740		-	728,740	-	\$ 16,519	-	712,221	\$ 16,519
Department of Environmental Protection											
Stormwater Assistance Grant	NJG0148083	2024	25,000	15,000	-	25,000	-	-	-	25,000	-
Department of Environmental Protection											
Urban Parks - 3rd Ward Memorial Pk Impvts	1607-23-UPG	2023	500,000		-	500,000	-	-	-	500,000	-
Department of Environmental Protection											
Green Acres - 3rd Ward Memorial Pk Impvts	1607-23-016	2023	1,400,000			1,400,000				1,400,000	-
Green Trust Grant - Multi Park Impvts -2021	1607-21-080	2021	1,200,000		\$ 1,200,000			783,156		416,844	783,156
Green Trust Grant - 3rd Ward & Vet Mem Park	1607-19-073	2019	1,000,000		503,881			315,036		188,845	811,155
Stewardship Award	N/A	2019	23,000		6,170					6,170	16,830
Green Trust Grant - Veterans Memorial 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					1,781,547	1,400,000	-	1,098,192	-	2,083,355	3,639,645
					\$ 10,753,287	\$ 26,816,535	\$ -	\$ 4,009,285	\$ (9,987)	\$ 33,550,550	\$ 16,113,101

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, 2023**

**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 Principals, 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	\$ 7,019,891	\$ 26,816,535	\$ 33,836,426
Community Development Grant Fund	1,232,624		1,232,624
Home Loan Program	<u>1,096,575</u>	<u>-</u>	<u>1,096,575</u>
Total Financial Awards	<u>\$ 9,349,090</u>	<u>\$ 26,816,535</u>	<u>\$ 36,165,625</u>

**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.

**CITY OF PASSAIC  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2023**

**NOTE 6 STATE LOANS OUTSTANDING**

Certain federal and state loans at the beginning of 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, 2023, which are not required to be reported on the schedule of state financial assistance, is as follows:

<u>Loan Program</u>	<u>State</u>
N.J. Dept. of Environmental Protection	
Green Acres Loans	
Dundee Island	\$ 51,099
Pulaski Park Renovation	5,593
Roberto Clemente Field Improvements	185,030
Pulaski Park Improvements	<u>369,889</u>
	<u>\$ 611,611</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 (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2023**

*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
1607-21-080/1607-19-073	DEP - Green Acres Program

**CITY OF PASSAIC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

***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, 2023**

*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, 2023**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.

**CITY OF PASSAIC**

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**PART III**

**SUPPORTING DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2023**

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

	<u>Year 2023</u>			<u>Year 2022</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>					
Fund Balance Utilized	\$ 5,321,000	2.69 %	\$	4,540,000	2.62 %
Miscellaneous - From Other Than Local					
Property Tax Levies	68,696,905	34.74		47,684,680	27.53
Collection of Delinquent Taxes and Tax Title Liens	41,415	0.02		145,043	0.08
Collection of Current Tax Levy	117,336,716	59.35		114,543,288	66.13
Other Credits	<u>6,323,499</u>	<u>3.20</u>		<u>6,296,399</u>	<u>3.64</u>
Total Income	<u>197,719,535</u>	<u>100.00</u> %		<u>173,209,410</u>	<u>100.00</u> %
<b>EXPENDITURES</b>					
Budget Expenditures					
Municipal Purposes	139,797,060	75.16		119,155,302	72.15 %
County Taxes	28,413,522	15.28		27,637,014	16.74
Local School Taxes	16,986,763	9.13		16,818,577	10.18
Other Expenditures	<u>796,639</u>	<u>0.43</u>		<u>1,541,404</u>	<u>0.93</u>
Total Expenditures	<u>185,993,984</u>	<u>100.00</u> %		<u>165,152,297</u>	<u>100.00</u> %
Excess in Revenue	11,725,551			8,057,113	
Fund Balance, January 1	<u>20,015,568</u>			<u>16,498,455</u>	
	31,741,119			24,555,568	
Less Utilization as Anticipated Revenue	<u>5,321,000</u>			<u>4,540,000</u>	
Fund Balance, December 31	<u>\$ 26,420,119</u>			<u>\$ 20,015,568</u>	

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

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Collection of Sewer Rents	\$ 7,173,434	99.86 %	\$ 6,183,918	99.81 %
Non-Budget Revenues	<u>9,714</u>	<u>0.14</u>	<u>11,866</u>	<u>0.19</u>
Total Income	<u>7,183,148</u>	<u>100.00</u> %	<u>6,195,784</u>	<u>100.00</u> %
EXPENDITURES				
Budget Expenditures				
Operating	7,039,000	91.46 %	6,540,000	91.71 %
Debt Service	141,780	1.84	146,580	2.06
Deferred Charges	<u>515,345</u>	<u>6.70</u>	<u>444,286</u>	<u>6.23</u>
Total Expenditures	<u>7,696,125</u>	<u>100.00</u> %	<u>7,130,866</u>	<u>100.00</u> %
Excess/(Deficit) in Revenues	(512,977)		(935,082)	
Adjustments to Income Before Fund Balance				
Realized from General Budget for Anticipated Deficit	<u>512,977</u>		<u>517,337</u>	
Operating Deficit to be Raised in Budget of Succeeding Year			<u>(417,745)</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>2023</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate</u>	\$ <u>4.004</u>	\$ <u>3.884</u>	\$ <u>3.760</u>
<u>Apportionmen of Tax Rate</u>			
Municipal/Library	\$ 2.470	\$ 2.375	\$ 2.258
County	0.959	0.937	0.930
Local School	0.575	0.572	0.572
<u>Assessed Valuation</u>			
2023	\$ <u>2,955,195,608</u>		
2022		\$ <u>2,940,752,492</u>	
2021			\$ <u>2,944,212,798</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, 2023	\$ 118,647,682	\$ 118,336,716	99.74%
December 31, 2022	114,575,296	114,543,288	99.97%
December 31, 2021	110,857,004	110,511,585	99.69%

**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>
2023	\$ 141,785	\$ 154,903	296,688	0.25%
2022	248,895	14,343	263,238	0.23%
2021	292,744	45,045	337,789	0.30%

**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>
2023	\$ 6,847,477	\$ 7,067,106	103.21%
2022	6,224,410	6,045,337	97.12%
2021	5,529,275	5,228,723	94.56%

(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	2023	\$ 26,420,119	\$ 6,114,601 (B)
	2022	20,015,568	5,321,000
	2021	16,498,455	4,540,000
Sewer Utility	2022	87,949	- (B)
	2021	87,949	-
	2020	87,949	-

(B) The above fund balance amounts appropriated represent the surplus anticipated in the 2024 introduced municipal budget. The 2024 municipal budget has not been legally adopted as of the date of audit.

**CITY OF PASSAIC  
OFFICIALS IN OFFICE AND SURETY BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Hector C. Lora	Mayor	
Gary S. Schaer	Council President	
Maritza Colon-Montenez	Councilwoman	
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	
Weatherly Frias	City Clerk/Registrar of Vital Statistics	
Doris Dudek	Purchasing Agent	
Zenab Bachok	Tax Collector	(A)
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 10,507 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.

**Current Year Findings**

Our audit of the City's bank reconciliations noted several accounts with prior year outstanding checks. It is recommended that prior year outstanding checks be reviewed and cleared of record.

**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:

- |   |   |
|---|---|
| Construction Manager – 8 <sup>th</sup> St. Improvements     | Emergency Sanitary Sewer Repairs            |
| Main Avenue Safety Project                                  | Roof Replacement – Fortsman Library         |
| Construction Management – Colonel Johnson Park Improvements | 2 SUV Vehicles for Code Enforcement         |
| Stormwater Catch Basin System Maintenance                   | Sanitary and Storm Sewer Improvements       |
| 2024 Isuzu with Tilt Cab Chassis                            | 2022 Road Improvements                      |
| 95-Solar Smart Parking Meters                               | 2-2024 GMC Dump Trucks                      |
| 2-2024 16 Passenger Vans with Wheel Chair Access            | Demolition of 69 Jefferson St.              |
| Parking Lot Repaving  | Columbia Ave. and Jefferson St. Parking Lot |

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 12, 2023.

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.

#### **Suggestion to Management**

- A review of the monthly bills be completed for professional services related to tax appeals, to ensure that all billings were made in accordance with the approved City contract.

**CITY OF PASSAIC  
RECOMMENDATIONS**

It is recommended that:

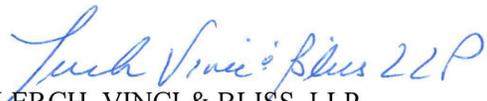
- \* 1. Grant receivable and appropriated reserve reports be reviewed and adjusted to agree with the audit balances.
- \* 2. Grant receivable balances be reviewed and continued efforts be made to collect balances due or cancelled of record where deemed uncollectible.
- \* 3. Outstanding tickets in the Municipal Court over six months be recalled and reassigned.
- 4. Prior year outstanding checks be reviewed and cleared of record.

\* \* \* \* \*

A review was performed on all prior years' recommendations. Corrective action was not taken on 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 CR000398