CITY OF BAYONNE

NEW JERSEY

REPORT OF AUDIT

FOR THE YEARS ENDED

DECEMBER 31, 2025 AND 2024

CITY OF BAYONNE
REPORT OF AUDIT
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DECEMBER 31, 2025

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CITY OF BAYONNE
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CITY OF BAYONNE

REPORT OF AUDIT

FINANCIAL SECTION

DONOHUE GIRONDA DORIA TOMKINS LLC

CERTIFIED PUBLIC ACCOUNTANTS AND
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
Bayonne, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements – regulatory basis of the City of Bayonne, New Jersey (the "City"), which comprise the comparative balance sheets – regulatory basis, of each Fund and the comparative statement of General Fixed Assets – regulatory basis, as of December 31, 2025 and 2024, and the related comparative statements of operations and changes in fund balance – regulatory basis, statement of revenues – regulatory basis and statement of appropriations – regulatory basis, of the Current Fund, Parking Utility Operating Fund and Water and Sewer Operating Fund, and the related statement of changes in fund balance – regulatory basis, of the General Capital Fund, Parking Utility Capital Fund and Water and Sewer Utility Capital Fund, for the years then ended, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each Fund and General Fixed Assets of the City as of December 31, 2025 and 2024, the respective operations and changes in fund balance – regulatory basis, revenues – regulatory basis and appropriations – regulatory basis of the Current Fund, Parking Utility Operating Fund and Water and Sewer Operating Fund, the changes in fund balance – regulatory basis, of the General Capital Fund, Parking Utility Capital Fund and Water and Sewer Utility Capital Fund, for the years then ended in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") 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 in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2025 and 2024, or the changes in its financial position for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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, and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

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

As described in Note 1, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 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 these financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the 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 opinion. 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 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, we:

- Exercise professional judgment 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'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'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.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The information identified in the table of contents as Fund Financial Schedules is presented for purposes of additional analysis as required by the Division. The Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance are presented for purposes of additional analysis as required, respectively, by the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and N.J. Office of Management and Budget Circular 25-12, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Fund Financial Schedules, 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 taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 September 25, 2026, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Donohue Gironda Doria Tomkins

DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants

Mark Bednarz

MARK W. BEDNARZ
RMA No. 547

Bayonne, New Jersey
September 25, 2026

CITY OF BAYONNE
CURRENT FUND
AS OF DECEMBER 31, 2025 AND 2024

Exhibit A
Sheet 1 of 2

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2025	2024
Assets			
Current Fund:			
Cash and Cash Equivalents	A-4	$ 33,704,068	$ 27,058,568
Change Funds	A-5	1,050	1,050
Subtotal		33,705,118	27,059,618
Intergovernmental Receivable:			
State Aid - Prepaid Debt Service	A-10	1,175,580	1,182,992
Due from State: Sr. Citizens and Veterans Deductions	A-18	454	-
		1,176,034	1,182,992
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	368,123	500,009
Tax Title Liens	A-8	760,908	730,533
Property Acquired for Taxes at Assessed Valuation	A-9	18,339,900	18,416,900
Revenue Accounts Receivable	A-11	1,664,712	219,284
Other Receivables	A-12	240	1,943
Prepaid School Tax	A-26	-	1,437,219
Interfunds Receivable			
Due from Federal and State Grants Fund	A-14	504,790	8,976,423
Due from General Capital Fund	A-14	-	545,095
Due from Redevelopment Escrow Trust Fund	A-14	-	35,280
Total Receivables with Full Reserve		21,638,673	30,862,686
Deferred Charges:			
Contractual Severance Liabilities		6,200,000	4,000,000
Total Deferred Charges	A-13	6,200,000	4,000,000
Total Current Fund Assets		62,719,825	63,105,296
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-4	809,343	2,726,986
Federal and State Grants Receivable	A-33	20,658,514	24,106,662
Total Federal and State Grant Fund Assets		21,467,857	26,833,648
Total Assets		$ 84,187,682	$ 89,938,944

See Accompanying Notes to Financial Statements

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2025	2024
Liabilities, Reserves and Fund Balance			
Current Fund:			
Appropriation Reserves	A-3; A-15	$ 4,852,550	$ 2,729,324
Reserve for Encumbrances	A-16	2,501,622	2,816,214
Contracts Payable	A-17	541,552	440,573
Intergovernmental Payable:			
Due to State: Sr. Citizens and Veterans Deductions	A-18	-	1,125
Prepaid Taxes	A-19	2,266,636	877,545
Tax Overpayments	A-20	923,117	4,172,660
Prepaid Tax Cost Sale	A-22	35,811	25,793
Due to Bulk Levy Purchaser	A-23	-	-
PILOT Fees Payable	A-25	1,032,666	975,090
Due County for Added and Omitted Taxes	A-27	75,958	51,993
Special Improvement District Taxes Payable	A-28	2,077,370	1,809,982
Reserve for Library Expenditures	A-29	2,514,130	1,753,390
Reserve for Urban Enterprise Funds	A-30	1,561,257	1,803,253
Reserve for Other	A-31	17,146	18,012
Special Emergency Notes Payable	A-32	6,200,000	4,000,000
Interfunds Payable			
Due to Other Trust Fund	A-14	-	1,231
Due to Payroll Clearing Fund	A-14	-	635
		24,599,815	21,476,820
Reserve for Receivables	contra	21,638,673	30,862,686
Fund Balance	A-1	16,481,337	10,765,790
Total Current Fund Liabilities, Reserves and Fund Balance		62,719,825	63,105,296
Federal and State Grant Fund:			
Encumbrances Payable	A-34	699,769	1,249,310
Reserve for Federal and State Grants:			
Appropriated	A-34	20,095,062	14,865,492
Unappropriated	A-35	168,236	1,406,895
Interfunds Payable:			
Due to Current Fund	A-36	504,790	8,976,423
Due to Trust Fund	A-36	-	335,528
Total Federal and State Grant Fund Liabilities and Reserves		21,467,857	26,833,648
Total Liabilities, Reserves and Fund Balance		$ 84,187,682	$ 89,938,944

See Accompanying Notes to Financial Statements

CITY OF BAYONNE
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	Ref.	2025	2024
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2a	$ 7,932,992	$ 14,750,000
Miscellaneous Revenue Anticipated	A-2a	63,762,694	49,642,956
Receipts from Delinquent Taxes	A-2a	439,878	495,323
Receipts from Current Taxes	A-2a	217,789,950	211,941,752
Non-Budget Revenues	A-2b	451,488	693,665
Other Credits to Income:			
Other Receivables Realized	A-12	1,703	-
Prior Year Interfunds Returned	A-14	9,556,798	7,528,071
Cancelled Trust Reserves	A-14	51,983	11,130
Unexpended Balance of Appropriation Reserves	A-15	2,719,468	3,262,240
Cancelled Contracts Payable		-	1,784,092
Cancelled Current Fund Reserves		-	16,268
Tax Overpayments Cancelled		-	2,519
		302,706,954	290,128,016
Expenditures			
Budgetary and Emergency Appropriations:			
Appropriations within "CAPS"			
Operations: Salaries and Wages		67,789,100	70,340,024
Operations: Other Expenses		43,488,813	41,616,575
Statutory Expenditures		21,013,187	20,779,780
Appropriations Excluded from "CAPS"			
Operations: Salaries and Wages		1,908,953	440,425
Operations: Other Expenses		15,365,443	7,263,405
Capital Improvements		154,800	550,000
Municipal Debt Service		20,632,394	18,100,151
Deferred Charges		800,000	148,000
Type 1 School District Debt		5,328,933	5,331,950
	A-3	176,481,623	164,570,310
Local District School Tax	A-26	76,259,424	74,764,141
County Tax	A-27	38,432,581	36,861,168
Due County for Added and Omitted Tax	A-27	75,958	51,993
Special Improvement District Tax	A-28	275,474	272,768
Refund of Prior Year Revenue	A-4	28,565	77,231
Interfunds Advanced Originating in Current Year	A-14	504,790	9,556,798
Reserve Prepaid School Tax		-	1,437,219
Expend Petty Cash Usage of Current and Prior Years		-	5,342
Reserve Overpayments Receivable		-	1,943
Fund Unidentified Trust Credits		-	730
		292,058,415	287,599,643

See Accompanying Notes to Financial Statements

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

	Ref.	2025	2024
Excess in Revenue		$ 10,648,539	$ 2,528,373
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Special Emergency Appropriations (40A:4-48)			
Contractual Severance Liabilities		3,000,000	4,000,000
Statutory Excess to Fund Balance		13,648,539	6,528,373
Fund Balance, January 1	A	10,765,790	18,987,417
		24,414,329	25,515,790
Decreased by:			
Utilized as Anticipated Revenue	A-2a	7,932,992	14,750,000
Fund Balance, December 31	A	$ 16,481,337	$ 10,765,790

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
SURPLUS:				
Surplus Anticipated	$ 6,750,000	$ -	$ 6,750,000	$ -
Surplus Anticipated with Prior Consent of DLGS	1,182,992	-	1,182,992	-
Total Surplus Anticipated	7,932,992	-	7,932,992	-
MISCELLANEOUS REVENUES:				
LOCAL REVENUES				
Licenses:				
Alcoholic Beverage	74,034	-	71,254	(2,780)
Other	169,648	-	172,145	2,497
Fees and Permits	2,996,326	-	3,353,180	356,854
Fines and Costs:				
Municipal Court	2,750,000	-	3,989,850	1,239,850
Other	220,429	-	131,167	(89,262)
Interest and Costs on Taxes	290,813	-	403,656	112,843
Interest on Investments and Deposits	457,428	-	1,197,853	740,425
Rents - City Owned Property	318,027	-	173,305	(144,722)
Payments in Lieu of Taxes:				
Bayonne Housing Authority	532,669	-	532,669	-
Senior Horizons of Bayonne	60,000	-	10,000	(50,000)
Southshore Village/Post Road Gardens	295,940	-	295,940	-
Costco/Bayonne Redev. UR Block 700 LLC	142,500	-	142,500	-
Barnabas Bayonne	285,000	-	290,700	5,700
Alexan City View	1,335,879	-	1,328,809	(7,070)
Platty Kill Manor	257,500	-	257,500	-
Bayonne CommunityAction	12,311	-	15,399	3,088
Bayonne Energey Cener Urban Renewal I	1,382,537	-	1,382,537	-
Bayonne Energey Cener Urban Renewal II	488,940	-	488,940	-
Prince Holdings	410,875	-	416,281	5,406
195 East 22nd Street Urban Renewal	48,577	-	69,298	20,721
Silklofts	220,923	-	220,923	-
Tagliareni Building	26,712	-	26,712	-
Port Authority	98,578	-	98,578	-
Port Authority/Workbench	382,128	-	382,128	-
Port Authority/Global Auto Marine Terminal	1,051,145	-	1,051,145	-
Port Authority of New York & New Jersey	350,220	-	350,220	-
Bayonne Bay Developer Urban Renewal	1,925,237	-	1,925,237	-
PSIP II	136,191	-	136,191	-
North Street Porperties	165,976	-	165,386	(590)
230-250 Avenue E	194,197	-	195,487	1,290
Bayonne 19th Street Urban Renewal	307,806	-	307,806	-
662 Avenue C	62,673	-	49,507	(13,166)
160 East 22nd Street	106,857	-	134,978	28,121
190 West 54th - Woodmont	749,402	-	749,402	-
Hobart Housing Urban Renewal Corp.	11,902	-	12,588	686
MHP 22 Avenue E	184,012	-	184,012	-
PSIP Avenue A	147,707	-	147,707	-
Bayonne Equities	164,446	-	159,316	(5,130)
957-965 Broadway	256,950	-	315,209	58,259
KRE Fleet Urban Renewal	1,011,857	-	1,011,857	-
Bayonne Avenue F Owner LLC	399,528	-	518,531	119,003
Bayonne Redevelopers Block 720	162,412	-	170,960	8,548
160 East 22nd Street 2-01 Realty LLC	36,162	-	36,579	417

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUES:				
LOCAL REVENUES				
Payments in Lieu of Taxes:				
Mahalaxmi Flagship UR	$ 177,994	$ -	$ 131,295	$ (46,699)
252-268 Avenue E UR	455,530	-	461,195	5,665
Lofts on Avenue E 1	121,917	-	121,917	-
Lofts on Avenue E 2	148,314	-	186,450	38,136
Pier View Lofts Urban Renewal LLC	167,434	-	165,851	(1,583)
23rd Street Urban Renewal JOF AAI 3 LLC	203,444	-	200,278	(3,166)
South Cove Development IV UR, LLC	67,500	-	72,188	4,688
SWL UR, LLC	375,000	-	356,250	(18,750)
425-429 Avenue C Bayonne UR, LLC	45,338	-	-	(45,338)
175 West 7th Development UR, LLC	82,871	-	81,568	(1,303)
YWCA Senior Residence UR	13,792	-	-	(13,792)
345-347 Avenue A UR, LLC	79,680	-	106,297	26,617
TFG 115-117 W2nd Street UR, LLC (Condos)	41,546	-	55,890	14,344
TFG (Unit 302)	9,222	-	9,222	-
TFG (Unit 402)	7,082	-	7,082	-
Accurate Builders, LLC	463,825	-	661,323	197,498
CE-HB UR, LLC	274,365	-	281,585	7,220
Five Year PILOTS	177,145	-	163,475	(13,670)
PILOT Administrative Fee	489,847	-	389,682	(100,165)
	24,084,300	-	26,524,990	2,440,690
STATE AID WITHOUT OFFSETTING APPROPRIATIONS				
Energy Receipts Tax (PL 1997, Ch. 162 & 167)	8,935,091	-	8,935,091	-
	8,935,091	-	8,935,091	-
SHARED SERVICE AGREEMENTS				
Garbage Removal Contract - Bayonne BOE	355,453	-	325,832	(29,621)
Bayonne Housing Authority - Garbage/Dumpster	72,000	-	76,000	4,000
Bayonne Housing Authority - Police Services	200,000	-	200,000	-
	627,453	-	601,832	(25,621)
PUBLIC AND PRIVATE REVENUES				
Body Armour Replacement Fund	13,455	-	13,455	-
Drunk Driving Enforcement	10,505	-	10,505	-
NJ Division of Criminal Justice	20,500	-	20,500	-
Recycling Tonnage Grant	94,298	-	94,298	-
Clean Communities Grant	141,400	-	141,400	-
Older American Act of 1965 Title III	73,984	-	73,984	-
Congregate Meals Program	390,111	-	390,111	-
Peer Grouping Grant	10,000	-	10,000	-
Lead Grant Assistance Program (LGAP)	138,400	-	138,400	-
Custom Boarder Control	8,802	-	8,802	-
Emergency Management	10,000	-	10,000	-
Justice Assistance Grant	20,275	-	20,275	-
Justice Assistance Grant (2023)	19,424	-	19,424	-
Opiod Settlement Funds	609,306	-	609,306	-
Veolia - Pipeline Access Easement	-	526,406	526,406	-
Office of New Americans Employment Program (EAAP)	-	6,000	6,000	-

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUES:				
PUBLIC AND PRIVATE REVENUES				
RDA-LEG BP Bayonne (MOTBY)	$ -	$ 500,000	$ 500,000	$ -
RDA-LEG BP Bayonne (Port Term Blvd)	-	250,000	250,000	-
RDA - Lofts on Avenue E	-	189,254	189,254	-
RDA-17 Avenue E	-	82,500	82,500	-
Municipal Alliance Against Alcoholism & Drug Abuse	-	19,921	19,921	-
Assistance to Firefighters Grant Program	-	63,636	63,636	-
Port Security Grant (Fire)	-	18,000	18,000	-
NJDOT Municipal Aid (2025 Roadway Imp)	-	629,407	629,407	-
NJ State Library-ARPA Capital Projects Fund -				-
Community Center Digital: Connect Grant (Library)	-	206,698	206,698	-
National Opiods Setttlement Funds	-	367,594	367,594	-
Drive Sober Or Get Pulled Over (Labor Day)	-	7,000	7,000	-
Click-It-or-Ticket - 2025 Seat Belt Mobilization	-	7,000	7,000	-
NJDOT Local Aid (2nd, 4th & W9thSts)	-	800,000	800,000	-
Hudson County Open Space:	-			-
16th Street Mini Golf Course Improvements	-	750,000	750,000	-
Improvements to Veterans Park	-	250,000	250,000	-
ARPA Capital Projects Fund -	-			-
Community Center Digital Connect Grant (Library)	-	2,165,900	2,165,900	-
Veolia - Hydraulic Model Expansion	-	390,000	390,000	-
	1,560,460	7,229,316	8,789,776	-
OTHER SPECIAL ITEMS				
Uniform Fire Safety Act	139,094	-	162,313	23,219
PVSC Municipal Rebate Incentive Program	14,875	-	14,875	-
Debt Service Reimbursement - Bayonne BOE	219,759	-	-	(219,759)
Royal Caribbean Cruise Port	2,600,000	-	2,416,140	(183,860)
Debt Service Reimbursement - Empire Golf	425,000	-	425,000	-
Indirect Cost Reimbursement - UCC	248,576	-	248,576	-
Uniform Fire Code Inspection Fees	277,326	-	346,451	69,125
Parking Tax	1,227,930	-	1,599,403	371,473
Spectra Energy	1,700,000	-	1,651,494	(48,506)
Port Authority Land Payment	5,000,000	-	5,000,000	-
Reimbursement - City Wide Communications		-		-
System - Bayonne BOE	33,312	-	-	(33,312)
BMUA Expense Reimbursement	698,962	-	698,962	-
Cable TV Franchise Fee	530,425	-	530,425	-
Sale of Municipal Assets	4,955,000	-	4,955,000	-
Reserve for Debt Service	500,000	-	500,000	-
Reserve for Debt Service - BMUA	208,558	-	208,558	-
Reserve for Preliminary Expenses	3,167	-	3,167	-
Reserve for Marist High School	100,000	-	100,000	-
Reserve for Debt Retirement	50,641	-	50,641	-
Prepaid School Tax	1,437,219	-	-	(1,437,219)
	20,369,844	-	18,911,005	(1,458,839)
Total Miscellaneous Revenues	55,577,148	7,229,316	63,762,694	956,230
RECEIPTS FROM DELINQUENT TAXES:	400,000	-	439,878	39,878
Subtotal - General Revenues	63,910,140	7,229,316	72,135,564	996,108

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET:				
Local Tax Incl. Reserve for Uncollected Taxes	$ 94,534,532	$ -	$ 94,938,648	$ 404,116
Addition to Local District School Tax	5,328,933	-	5,328,933	-
Minimum Library Tax	3,613,410	-	3,613,410	-
Total Amount to be Raised by Taxes	103,476,875	-	103,880,991	404,116
Total Budget Revenues	167,387,015	7,229,316	176,016,555	1,400,224
Non-Budget Revenues	-	-	451,488	451,488
Total General Revenues	$ 167,387,015	$ 7,229,316	$ 176,468,043	$ 1,851,712
	A-3	A-3		

Analysis of Realized Revenues	
A-2a	$ 176,016,555
A-2b	451,488
	$ 176,468,043

CITY OF BAYONNE **Exhibit A-2a**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT OF REVENUES - REGULATORY BASIS - ANALYSIS OF BUDGETED REVENUES

	Ref.		
Allocation of Current Tax Collections:			
Collected in Current Year	A-4	$ 211,358,328	
Overpayments Applied As Revenue	A-20	3,225,435	
Applied from Bulk Levy Tax Sale	A-21	2,185,834	
Collected in Current Year	A-7	216,769,597	
Collected in Prior Year	A-7, A-19	877,545	
State Share of Sr. Citizens' & Veterans' Deductions	A-7, A-18	142,808	
Current Taxes Realized in Cash	A-1		$ 217,789,950
Add: Appropriation for "Reserve for Uncollected Taxes"	A-3		1,134,478
			218,924,428
Allocated to:			
School Taxes	A-26	76,259,424	
County Taxes	A-27	38,508,539	
Special Improvement District Taxes	A-28	275,474	
Total Allocated to School, County and Special District Taxes			115,043,437
Amount for Support of Municipal Budget Appropriations	A-2		$ 103,880,991
Receipts from Delinquent Taxes:			
Delinquent Taxes Collected	A-4	$ 439,878	
Total Receipts from Delinquent Taxes	A-1, A-7		$ 439,878
Miscellaneous Revenues Anticipated:			
State Aid Allocation Realized	A-10		$ 8,935,091
Cash Receipts	A-11		45,175,461
Revenues from Other Funds, Reserves and Deposits	A-11		862,366
State and Federal Grants - Adopted	A-14		1,560,460
State and Federal Grants - NJSA 40A:4-87	A-14		7,229,316
Total Miscellaneous Revenues Anticipated	A-1, A-2		$ 63,762,694
FUND BALANCE	A-1, A-2		$ 7,932,992
Total Realized Budget Revenues	A-2		$ 176,016,555

See Accompanying Notes to Financial Statements

CITY OF BAYONNE **Exhibit A-2b**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

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

	Ref.		
Miscellaneous Revenue not Anticipated:			
Cash Receipts			
Miscellaneous		$	10,136
Vendor refunds			1,995
Cashier unallocated			274
Prison Forfeiture Cash			2,089
Prior Year Reimbursements			225
Reimbursement - Municipal Election			1,400
Premium on Sale of Notes			9,041
BLRA			213,810
Senior Citizens and Veterans Deductions - 2% Admin Fee			2,897
Total Non-Budget Revenue	A-4		241,867
Adjustment to State Deductions	A-18		3,621
Tax Levy Sale Premium	A-21		206,000
	A-1, A-2	$	451,488

See Accompanying Notes to Financial Statements

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
(A) Operations - within "CAPS"						
Office of the Mayor						
Salaries and Wages	$ 435,000	$ 435,000	$ 432,312	$ -	$ 2,688	$ -
Other Expenses	10,000	10,000	5,029	383	4,588	-
Planning Board						
Other Expenses	44,000	44,000	28,063	15,700	237	-
Board of Adjustment						
Other Expenses	33,000	33,000	29,022	1,245	2,733	-
Rent Control Office						
Salaries and Wages	15,000	15,000	15,000	-	-	-
Other Expenses	45,000	45,000	18,992	20,140	5,868	-
Planning and Zoning						
Salaries and Wages	698,000	727,000	725,363	-	1,637	-
Other Expenses	290,000	290,000	131,354	148,432	10,214	-
City Clerk & Municipal Council						
Municipal Council						
Salaries and Wages	183,000	183,000	181,194	-	1,806	-
Other Expenses	4,000	4,000	456	-	3,544	-
City Clerk's Office						
Salaries and Wages	395,000	377,000	374,659	-	2,341	-
Other Expenses	45,000	45,000	44,385	377	238	-
Primary, General & Municipal Elections						
Salaries and Wages	45,000	31,000	30,991	-	9	-
Other Expenses	40,000	128,500	55,333	66	73,101	-
Audit Services	110,200	110,200	110,200	-	-	-
Department of Administration						
Business Administrator's Office						
Salaries and Wages	625,000	627,700	626,218	-	1,482	-
Other Expenses	375,000	375,000	298,685	72,125	4,190	-
Finance Office						
Salaries and Wages	1,330,000	1,241,000	1,235,285	-	5,715	-
Other Expenses	112,000	112,000	79,270	28,849	3,881	-
Tax Assessor						
Salaries and Wages	345,000	360,000	357,100	-	2,900	-
Tax Collection						
Salaries and Wages	360,000	300,000	295,579	-	4,421	-
Postage	145,000	95,000	92,601	-	2,399	-
Human Resources						
Salaries and Wages	95,000	95,000	92,723	-	2,277	-
Bayonne Historical Commission						
Other Expenses	6,000	6,000	53	-	5,947	-
Law Department						
Salaries and Wages	712,500	687,500	682,483	-	5,017	-
Other Expenses	45,000	45,000	9,963	2,193	32,844	-
Contracts	350,000	337,800	183,991	121,022	32,787	-
Municipal Services Department						
Health Division						
Salaries and Wages	360,000	345,000	337,872	-	7,128	-
Other Expenses	295,000	295,000	251,001	43,699	300	-
Municipal Services Department						
Salaries and Wages	585,000	495,000	491,008	-	3,992	-
Other Expenses	160,000	160,000	104,237	48,179	7,584	-
Municipal Services						
Salaries and Wages	625,000	631,000	620,634	-	10,366	-
Department of Public Safety						
Police - Uniform Personnel						
Salaries and Wages	23,495,000	23,845,000	23,793,666	-	51,334	-
Other Expenses	995,000	925,000	791,660	22,395	110,945	-
Police - Non-Uniform Personnel						
Salaries and Wages	4,250,000	4,170,000	4,154,895	-	15,105	-
Other Expenses	2,500	2,500	300	-	2,200	-
Fire - Non-Uniform Personnel						
Salaries and Wages	440,000	420,000	413,061	-	6,939	-
Fire - Uniform Personnel						
Salaries and Wages	20,030,000	19,995,000	19,991,632	-	3,368	-
Other Expenses	455,000	455,000	320,245	134,451	304	-
Prosecutor's Office						
Other Expenses	155,000	155,000	109,255	45,200	545	-

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
(A) Operations - within "CAPS"						
Department of Public Works						
Streets and Road Maintenance						
Salaries and Wages	$ 2,545,000	$ 2,890,000	$ 2,870,514	$ -	$ 19,486	$ -
Other Expenses	115,000	115,000	83,024	13,831	18,145	-
Snow Removal						
Salaries and Wages	150,000	84,000	83,847	-	153	-
Other Expenses	100,000	100,000	45,584	54,416	-	-
Other Public Works						
Salaries and Wages	510,000	515,000	513,386	-	1,614	-
Other Expenses	10,000	5,000	2,025	-	2,975	-
Solid Waste Collection	3,212,233	3,118,233	2,850,249	267,686	298	-
Buildings and Grounds						
Salaries and Wages	995,000	1,033,000	1,025,172	-	7,828	-
Other Expenses	425,000	425,000	333,701	62,638	28,661	-
Vehicle Maintenance						
Salaries and Wages	850,000	811,500	811,461	-	39	-
Other Expenses	600,000	600,000	499,264	74,704	26,032	-
Swimming Pool						
Salaries and Wages	270,000	270,000	270,000	-	-	-
Other Expenses	56,000	56,000	52,668	1,411	1,921	-
Parks & Playgrounds - Recreation						
Salaries and Wages	1,032,500	1,032,500	1,017,194	-	15,306	-
Other Expenses	135,000	135,000	131,615	3,142	243	-
Maintenance of Parks						
Salaries and Wages	2,120,000	2,070,000	2,021,086	-	48,914	-
Other Expenses	100,000	100,000	76,401	1,221	22,378	-
Engineering Services	725,000	725,000	386,087	184,352	154,561	-
Municipal Court						
Salaries and Wages	1,120,000	1,102,900	1,076,530	-	26,370	-
Other Expenses	100,000	100,000	79,146	6,022	14,832	-
Public Defender						
Other Expenses	85,000	50,000	43,200	3,200	3,600	-
Insurance:						
General Liability	3,350,000	3,300,000	3,259,534	-	40,466	-
Workers Compensation	550,000	727,100	495,253	-	231,847	-
Employee Group Health	23,408,980	23,408,980	20,637,872	317,061	2,454,047	-
Group Insurance Waiver Costs	150,000	150,000	146,187	-	3,813	-
Unclassified:						
Utilities	1,600,000	1,800,000	1,536,237	60,778	202,985	-
Telecommunications	250,000	250,000	227,541	20,266	2,193	-
Gasoline	600,000	600,000	366,615	180,713	52,672	-
Solid Waste Disposal (Tipping Fees)	3,900,000	3,512,000	3,059,866	447,134	5,000	-
Celebration of Public Holidays	55,000	55,000	54,956	-	44	-
Bayonne Econ. Opportunity Foundation	22,500	22,500	22,500	-	-	-
Bulk Levy Sale Expenses	20,000	20,000	2,335	-	17,665	-
Office Services	440,000	440,000	392,156	12,338	35,506	-
Reserve for Accumulated Absences	-	3,000,000	2,857,096	-	142,904	-
(B) Contingent	1,000	1,000	-	-	1,000	-
	108,343,413	111,277,913	104,846,072	2,415,369	4,016,472	-
Detail:						
Salaries and Wages	64,616,000	67,789,100	67,397,961	-	391,139	-
Other Expenses	43,727,413	43,488,813	37,448,111	2,415,369	3,625,333	-
(E) Deferred Charges & Statutory Expenditures within "CAPS"						
(2) STATUTORY EXPENDITURES						
Contribution to:						
Public Employees Retirement System	2,690,844	2,690,844	2,690,844	-	-	-
Social Security System (O.A.S.I.)	2,275,000	2,335,000	2,295,093	-	39,907	-
Police & Fire Retirement System of NJ	15,850,343	15,850,343	15,850,343	-	-	-
Unemployment Insurance	24,000	24,000	24,000	-	-	-
Pensioners & Widow(er)s	25,000	25,000	16,088	-	8,912	-
Defined Contribution Retirement Program	88,000	88,000	65,611	-	22,389	-
	20,953,187	21,013,187	20,941,979	-	71,208	-
(H-1)TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	129,296,600	132,291,100	125,788,051	2,415,369	4,087,680	-

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
(A) Operations - Excluded From "CAPS"						
GENERAL GOVERNMENT						
Free Public Library	$ 3,613,410	$ 3,613,410	$ 2,856,943	$ 75,253	$ 681,214	$ -
Cap Exclusions:						
Employee Group Health Insurance	2,741,020	2,741,020	2,741,020	-	-	-
	6,354,430	6,354,430	5,597,963	75,253	681,214	-
SHARED SERVICE AGREEMENTS						
Bayonne BOE Garbage Removal Contract	60,000	60,000	55,000	5,000	-	-
Bayonne Housing Authority - Garbage/Dumpster	72,000	72,000	66,000	6,000	-	-
Bayonne Housing Authority - Police Services	200,000	200,000	200,000	-	-	-
	332,000	332,000	321,000	11,000	-	-
PUBLIC AND PRIVATE APPROPRIATIONS OFFSET BY REVENUES						
Matching Funds for Grants	95,000	83,656	-	-	83,656	-
Federal and State Grants						
Body Armour Replacement Fund	13,455	13,455	13,455	-	-	-
Drunk Driving Enforcement Grant	10,505	10,505	10,505	-	-	-
NJ Division of Criminal Justice	20,500	20,500	20,500	-	-	-
Emergency Management Grant (EMMA)	10,000	10,000	10,000	-	-	-
Recycling Tonnage Grant	94,298	94,298	94,298	-	-	-
Clean Communities Grant	141,400	141,400	141,400	-	-	-
Older American Act of 1965 Title III						
Grant Funds	73,984	73,984	73,984	-	-	-
Match	18,496	18,496	18,496	-	-	-
Congregate Meals Program						
Grant Funds	390,111	390,111	390,111	-	-	-
Match	97,528	97,528	97,528	-	-	-
Peer Grouping Grant	10,000	10,000	10,000	-	-	-
Custom Border Control	8,802	8,802	8,802	-	-	-
Opiod Settlement Funds	609,306	609,306	609,306	-	-	-
Lead Grant Assistance Program (LGAP)	138,400	138,400	138,400	-	-	-
Justice Assistance Grant	20,275	20,275	20,275	-	-	-
Justice Assistance Grant (2023)	19,424	19,424	19,424	-	-	-
Cops Hiring Grant (2021)						
Match	1,587,166	1,587,166	1,587,166	-	-	-
Veolia - Pipeline Access Easement	-	526,406	526,406	-	-	-
Office of New American - EAAP	-	6,000	6,000	-	-	-
RDA-LEG BP Bayonne (MOTBY)	-	500,000	500,000	-	-	-
RDA-LEG BP Bayonne (Port Term Blvd)	-	250,000	250,000	-	-	-
RDA - Lofts on Avenue E	-	189,254	189,254	-	-	-
RDA-17 Avenue E	-	82,500	82,500	-	-	-
Municipal Alliance Against Alcoholism						
Grant Funds	-	19,921	19,921	-	-	-
Match	-	4,980	4,980	-	-	-
Assistance to Firefighters Grant Program						
Grant Funds	-	63,636	63,636	-	-	-
Match	-	6,364	6,364	-	-	-
Port Security Grant (Fire)	-	18,000	18,000	-	-	-
NJDOT Municipal Aid (2025 Roadway Imp)	-	629,407	629,407	-	-	-
NJ State Library-ARPA Capital Projects Fund -						
Comm. Center Digital-Connect Grant (Library)	-	206,698	206,698	-	-	-
National Opiods Setttlement Funds	-	367,594	367,594	-	-	-
Drive Sober Or Get Pulled Over (Labor Day)	-	7,000	7,000	-	-	-
Click-It-or-Ticket - 2025 Seat Belt Mobilization	-	7,000	7,000	-	-	-
NJDOT Local Aid (2nd, 4th & W9thSts)	-	800,000	800,000	-	-	-
Hudson County Open Space:						
16th Street Mini Golf Course Improvements	-	750,000	750,000	-	-	-
Improvements to Veterans Park	-	250,000	250,000	-	-	-
ARPA Capital Projects Fund - Community Center						
Digital Connect Grant (Library)	-	2,165,900	2,165,900	-	-	-
Veolia - Hydraulic Model Expansion	-	390,000	390,000	-	-	-
	3,358,650	10,587,966	10,504,310	-	83,656	-
Total Operations - Excluded from "CAPS"	10,045,080	17,274,396	16,423,273	86,253	764,870	-
Detail:						
Salaries and Wages	1,908,953	1,908,953	1,908,953	-	-	-
Other Expenses	8,136,127	15,365,443	14,514,320	86,253	764,870	-

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
(C) Capital Improvements- Excluded From "CAPS"						
Capital Improvement Fund	$ 154,800	$ 154,800	$ 154,800	$ -	$ -	$ -
(D) Municipal Debt Service						
Bond Principal	8,205,000	8,205,000	8,205,000	-	-	-
Bond Anticipation and Capital Notes	555,000	555,000	555,000	-	-	-
Interest on Bonds	4,560,539	4,560,539	4,560,539	-	-	-
Interest on Notes	1,285,169	1,285,169	1,285,169	-	-	-
Green Trust Loan Program						
Loan Repayments for Principal and Interest	16,852	16,852	16,852	-	-	-
Capital Lease Obligations						
HCIA Lease Payment (Central Garage)	694,984	694,984	694,984	-	-	-
Police Vehicle Leases	51,612	51,612	51,612	-	-	-
Fire Truck Leases	100,878	100,878	100,878	-	-	-
New Jersey Infrastructure Bank (I-Bank)	162,590	162,590	162,360	-	-	230
Escrow/Service Agreement	4,994,500	5,000,000	5,000,000	-	-	-
	20,627,124	20,632,624	20,632,394	-	-	230
(E) Deferred Charges						
Special Emergency Authorizations - 5 Years	800,000	800,000	800,000	-	-	-
(H-2) TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES-EXCL. FROM "CAPS"	31,627,004	38,861,820	38,010,467	86,253	764,870	230
(I) Local District School Purposes - Excluded from "CAPS"						
TYPE 1 DISTRICT SCHOOL DEBT						
Payment of Bond Principal	4,870,000	4,870,000	4,870,000	-	-	-
Interest on Bonds	458,933	458,933	458,933	-	-	-
	5,328,933	5,328,933	5,328,933	-	-	-
(O) TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"	36,955,937	44,190,753	43,339,400	86,253	764,870	230
(L) Subtotal General Appropriations	166,252,537	176,481,853	169,127,451	2,501,622	4,852,550	230
(M) Reserve for Uncollected Taxes	1,134,478	1,134,478	1,134,478	-	-	-
TOTAL GENERAL APPROPRIATIONS	$ 167,387,015	$ 177,616,331	$ 170,261,929	$ 2,501,622	$ 4,852,550	$ 230
				A-16	A	

Analysis of Budgetary Appropriations Charged to Operations			Analysis of Paid or Charged		
Budget As Adopted	A-2	$ 167,387,015	$ 1,134,478	A-2a	Reserve for Uncollected Taxes
Added by N.J.S.A. 40A:4-87	A-2	7,229,316	5,521,105	A-10	Qualified Bonds Paid by State
Special Emergency Appropriation	A-13	3,000,000	1,714,534	A-14	State and Federal Grants - Match
		177,616,331	8,789,776	A-14	State and Federal Grants - Awards
Less: Appropriations Cancelled		230	154,800	A-14	Capital Improvement Fund
Less: Reserve for Uncollected Taxes		1,134,478	24,000	A-14	Unemployment Funding
Appropriations Charged to Operations	A-1	$ 176,481,623	90,534,333	A-14	Payroll Clearing
			800,000	A-13	Deferred Charges
			61,588,903	A-4	Cash Disbursements
			$ 170,261,929		

CITY OF BAYONNE
TRUST FUNDS
AS OF DECEMBER 31, 2025 AND 2024

Exhibit B
Sheet 1 of 2

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2025	2024
Assets			
Animal Control Fund:			
Cash and Cash Equivalents	B-2	$ 15,566	$ 9,408
Interfunds Receivable: Due from Other Trust Fund	B-5	-	1,661
		15,566	11,069
Insurance Fund:			
Cash and Cash Equivalents	B-2	632,974	649,670
Interfunds Receivable: Due from Parking Utility Operating	B-9	-	5,000
		632,974	654,670
Tax Lien Redemption Fund:			
Cash and Cash Equivalents	B-2	166,247	781,578
Housing and Urban Development Fund:			
Cash and Cash Equivalents	B-2	138,337	1,907
Grants Receivable	B-12	2,109,643	2,261,260
		2,247,980	2,263,167
Payroll Clearing Fund			
Cash and Cash Equivalents	B-2	1,108,390	1,085,231
Interfunds Receivable:			
Due from Current Fund	B-30	-	635
Due from Other Trust Fund	B-30	-	2,628
		1,108,390	1,088,494
Redevelopment Escrow Trust Fund:			
Cash and Cash Equivalents	B-2	950,083	1,327,538
Interfunds Receivable: Due from Other Trust Fund	B-28	2,570	-
		952,653	1,327,538
Other Trust Fund:			
Cash and Cash Equivalents	B-2	31,565,282	31,970,289
Deferred Charges	B-18	438,269	-
UEZ Grants Receivable	B-17	2,592,235	2,592,235
Interfunds Receivable:			
Due from Current Fund	B-19	-	1,231
Due from State and Federal Grant Fund	B-19	-	335,528
		34,595,786	34,899,283
Total Assets		$ 39,719,596	$ 41,025,799

See Accompanying Notes to Financial Statements

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2025	2024
Liabilities, Reserves and Fund Balance			
Animal Control Fund:			
Reserve for Feral Cat Donations	B-6	$ 2,689	$ 2,689
Due to State of New Jersey	B-3	16	217
Reserve for Encumbrances	B-7	503	1,566
Reserve for Dog Fund Expenditures	B-4	12,358	6,597
		15,566	11,069
Insurance Fund:			
Reserve for Insurance Fund Expenditures	B-8	632,974	654,670
Tax Lien Redemption Fund:			
Reserve for Tax Lien Redemption Fund Expenditures	B-10	166,247	781,578
Housing and Urban Development Fund:			
Reserve for Interest on Federal Drawdowns	B-13	36,001	4,075
Reserve for Encumbrances	B-14	420,803	802,915
Reserve for Grant Expenditures	B-16	1,791,176	1,456,177
		2,247,980	2,263,167
Payroll Clearing Fund			
Reserve for Payroll Deductions	B-29	1,108,390	1,088,494
Redevelopment Escrow Trust Fund:			
Interfunds Payable: Due to Current Fund	B-28	-	35,280
Reserve for Encumbrances	B-26	1,417	16,740
Reserve for Developers Escrow	B-27	951,236	1,275,518
		952,653	1,327,538
Other Trust Fund:			
Interfunds Payable:			
Due to Redevelopment Escrow Trust Fund	B-19	2,570	-
Due to Animal Control Fund	B-19	-	1,661
Payroll Deduction Trust Fund	B-19	-	2,628
Due to State of New Jersey	B-24	306,886	309,698
Reserves and Special Deposits	B-25	25,942,384	26,118,674
Maintenance and Performance Cash Bonds Deposits	B-20	4,942,503	5,070,358
Reserve for Urban Enterprise Zone Expenditures	B-21	2,252,634	2,862,403
Reserve for Library	B-22	255,893	224,769
Reserve for Encumbrances	B-23	608,030	309,092
Fund Balance	B-1	284,886	-
		34,595,786	34,899,283
Total Liabilities and Reserves		$ 39,719,596	$ 41,025,799

See Accompanying Notes to Financial Statements

CITY OF BAYONNE **Exhibit B-1**
TRUST FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

	Ref.	2025	2024
Increased by:			
Cancelled Reserves and Special Deposits	B-25	$ 150	$ -
Cancelled Performance Bond Deposits	B-20	326,104	-
		326,254	-
Decreased by:			
Performance Bond Deposits Funded	B-20	18	-
Reserve Accounts Funded	B-25	41,350	-
		41,368	-
Net Change in Interfunds		284,886	-
Balance: December 31, 2024	B	-	-
Balance: December 31, 2025		$ 284,886	$ -
Analysis of Ending Fund Balance by Trust Fund:			
Other Trust Fund Balance	B	$ 284,886	$ -

CITY OF BAYONNE **Exhibit C**
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2025 AND 2024

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2025	2024
Assets			
Cash and Cash Equivalents		$ 5,698,559	$ 11,869,298
Restricted Cash		208,558	208,558
Total Cash and Cash Equivalents	C-2; C-3	5,907,117	12,077,856
Grants Receivable - without Reserves	C-6	6,686,133	6,186,133
Grants Receivable - Fully Reserved	C-6a	9,648,378	12,137,601
Developer's Contribution Receivable	C-7	333,000	333,000
Interfunds Receivable: Due from Sewer/Water	C-9	545,500	-
New Jersey Infrastructure Bank Loans Receivable	C-8	-	941,777
Deferred Charges to Future Taxation:			
Funded	C-4	153,193,989	166,357,007
Unfunded	C-5	112,613,104	116,273,708
Total Assets		$ 288,927,221	$ 314,307,082
Liabilities, Reserves and Fund Balance			
Interfunds Payable: Due to Current Fund	C-9	$ -	$ 545,095
Bond Anticipation Notes Payable	C-18	32,009,000	26,564,000
General Serial Bonds Payable	C-11	126,636,000	134,841,000
School Serial Bonds Payable	C-13	15,071,000	19,941,000
Capital Appreciation Bonds Payable	C-12	1,000,000	1,000,000
Green Trust Loan Payable	C-14	8,342	24,780
Lease Payable	C-16	5,766,494	6,049,958
New Jersey Infrastructure Bank:			
Fund Loans Payable	C-15	342,551	354,785
Trust Loans Payable	C-15	2,107,491	2,194,954
Interim Construction Loan Payable	C-15a	2,262,111	2,892,307
Assignment Agreement Payable	C-17	35,000,000	40,000,000
Improvement Authorizations:			
Funded	C-10	2,526,479	1,578,123
Unfunded	C-10	42,860,922	50,771,260
Contracts Payable	C-19	9,540,241	8,216,387
Capital Improvement Fund	C-22	286,853	286,853
Reserve for Capital Improvements	C-20	1,175,000	3,632,280
Reserve for Debt Service	C-21	1,559,947	2,319,146
Reserve for Preliminary Expenses	C-23	-	3,167
Reserve for Grant Receivable	C-24	9,648,378	12,137,601
		287,800,809	313,352,696
Fund Balance	C-1	1,126,412	954,386
Total Liabilities, Reserves and Fund Balance		$ 288,927,221	$ 314,307,082
Bonds and Noted Authorized But Not Used	C-24	$ 45,604,104	$ 49,709,708

See Accompanying Notes to Financial Statements

CITY OF BAYONNE **Exhibit C-1**
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

	Ref.	2025	2024
Increased by:			
Canceled Ordinances	C-10	437,320	-
Premium on Note Sale - Series 2025A / 2024A	C-9	85,756	38,696
Premium on Note Sale - Series 2025B-1 / 2024B-1	C-9	86,270	81,799
		609,346	120,495
Decreased by:			
Financing of Improvement Authorizations:			
O-25-25: Hudson River Waterfront Walkway	C-10	437,320	-
Net Change		172,026	120,495
Balance: December 31, 2024	C	954,386	833,891
Balance: December 31, 2025	C	$ 1,126,412	$ 954,386

See Accompanying Notes to Financial Statements

CITY OF BAYONNE
PARKING UTILITY FUND
AS OF DECEMBER 31, 2025 AND 2024

Exhibit D

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2025	2024
Assets			
Operating Fund:			
Cash and Cash Equivalents	D-5	$ 1,598,537	$ 1,514,135
Interfunds Receivable:			
Due from Parking Utility Capital	D-7	-	18
Total Utility Operating Fund Assets		1,598,537	1,514,153
Capital Fund:			
Cash and Cash Equivalents	D-5	42,196	140,058
Fixed Capital	D-13	5,354,861	5,354,861
Fixed Capital Authorized and Uncompleted	D-14	1,874,965	1,874,965
Total Utility Capital Fund Assets		7,272,022	7,369,884
Total Utility Fund Assets		$ 8,870,559	$ 8,884,037
Liabilities, Reserves and Fund Balance			
Operating Fund:			
Appropriation Reserves	D-3, D-8	$ 156,654	$ 167,089
Interfunds Payable: Due to Unemployment Trust Fund	D-7	-	5,000
Reserve for Encumbrances	D-9	50,874	23,871
Reserve for Debt Service	D-10	9,624	9,624
Accrued Interest on Bonds	D-11	10,750	16,479
		227,902	222,063
Fund Balance	D-1	1,370,635	1,292,090
Total Utility Operating Fund Liabilities, Reserves and Fund Balance		1,598,537	1,514,153
Capital Fund:			
Interfunds Payable: Due to Parking Utility Operating	D-15	-	18
Improvement Authorizations			
Funded	D-12	40,033	686
Unfunded	D-12	152,156	250,000
Reserve for Encumbrances	D-19	-	39,347
Reserve for Amortization	D-18	4,779,861	4,504,861
Reserve for Deferred Amortization	D-17	1,624,965	1,624,965
Parking Revenue Serial Bonds Payable	D-16	575,000	850,000
		7,172,015	7,269,877
Fund Balance	D-4	100,007	100,007
Total Utility Capital Fund Liabilities, Reserves and Fund Balance		7,272,022	7,369,884
Total Utility Fund Liabilities, Reserves and Fund Balance		$ 8,870,559	$ 8,884,037

See Accompanying Notes to Financial Statements

CITY OF BAYONNE **Exhibit D-1**
PARKING UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	Ref.	2025	2024
Revenue and Other Income Realized			
Fund Balance Utilized	D-2	$ 200,000	$ -
Miscellaneous Revenue Anticipated	D-2	2,453,015	2,347,093
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-8	166,893	89,056
Accounts Payable Cancelled		-	3,978
		2,819,908	2,440,127
Expenditures			
Budget Appropriations:			
Operating			
Salaries and Wages		1,179,000	1,001,170
Other Expenses		748,653	620,000
Debt Service		308,821	307,133
Statutory Expenditures		304,889	222,438
	D-3	2,541,363	2,150,741
Bank Charges		-	5
		2,541,363	2,150,746
Excess in Revenue		278,545	289,381
Fund Balance, January 1	D	1,292,090	1,002,709
		1,570,635	1,292,090
Decreased by:			
Utilized as Anticipated Revenue	D-2	200,000	-
Fund Balance, December 31	D	$ 1,370,635	$ 1,292,090

See Accompanying Notes to Financial Statements

CITY OF BAYONNE **Exhibit D-2**
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Operating Surplus Anticipated	$ 200,000	$ -	$ 200,000	$ -
Parking Fees	1,261,340	-	1,302,655	41,315
Ticket Revenues	1,077,254	-	1,141,276	64,022
Interest on Investments and Deposits	8,498	-	9,084	586
	2,347,092	-	2,453,015	105,923
Total Budget Revenues	2,547,092	-	2,653,015	105,923
Total Parking Utility Revenues	$ 2,547,092	$ -	$ 2,653,015	$ 105,923
	D-3			

Cash Receipts	D-5	$ 2,452,933
Interfund: Utility Capital Interest	D-7	82
	D-1	2,453,015
Operating Surplus Anticipated	D-1	200,000

See Accompanying Notes to Financial Statements

CITY OF BAYONNE
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit D-3

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
Operating:						
Salaries and Wages	$ 1,265,000	$ 1,179,000	$ 1,177,888	$ -	$ 1,112	$ -
Other Expenses	302,653	328,653	192,430	50,874	85,349	-
Group Insurance	360,000	420,000	410,377	-	9,623	-
	1,927,653	1,927,653	1,780,695	50,874	96,084	-
Debt Service:						
Bond Principal	275,000	275,000	275,000	-	-	-
Interest on Bonds	39,550	39,550	33,821	-	-	5,729
	314,550	314,550	308,821	-	-	5,729
Deferred Charges:						
Prior Year Bills	3,500	3,500	3,500	-	-	-
Statutory Expenditures:						
Public Employees Retirement System	181,389	181,389	181,389	-	-	-
Social Security (O.A.S.I.)	115,000	115,000	54,430	-	60,570	-
Unemployment Insurance	5,000	5,000	5,000	-	-	-
	304,889	304,889	244,319	-	60,570	-
Total Parking Utility Appropriations	$ 2,547,092	$ 2,547,092	$ 2,333,835	$ 50,874	$ 156,654	$ 5,729
				D-9	D	

Budget As Adopted	D-2	$ 2,547,092	$ 2,334,564	D-7	Disbursed by Current Fund
Less: Appropriations Canceled		5,729	5,000	D-7	Due to Unemployment Trust Fund
	D-1	$ 2,541,363	10,750	D-11	Add: Current Year Interest Accrual
			2,350,314		
			16,479	D-11	Less: Prior Year Interest Accrual
			$ 2,333,835		

See Accompanying Notes to Financial Statements

CITY OF BAYONNE **Exhibit D-4**
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

	Ref.	2025	2024
Balance: December 31, 2025 and 2024	D	$ 100,007	$ 100,007

See Accompanying Notes to Financial Statements

CITY OF BAYONNE
WATER AND SEWER UTILITY FUND
AS OF DECEMBER 31, 2025 AND 2024

Exhibit E

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2025	2024
Assets			
Operating Fund:			
Interfunds Receivable:			
Due from Water and Sewer Utility Capital	E-5	$ 1,391	$ -
Total Utility Operating Fund Assets		1,391	-
Capital Fund:			
Cash and Cash Equivalents	E-3	51,419	-
Fixed Capital Authorized and Uncompleted	E-6	13,000,000	-
Total Utility Capital Fund Assets		13,051,419	-
Total Utility Fund Assets		$ 13,052,810	$ -
Liabilities, Reserves and Fund Balance			
Operating Fund:			
Fund Balance	E-1	1,391	-
Total Utility Operating Fund Liabilities, Reserves and Fund Balance		1,391	-
Capital Fund:			
Interfunds Payable:			
Due to General Capital Fund	E-7	545,500	-
Due to Water and Sewer Utility Operating	E-7	1,391	-
Improvement Authorizations			
Unfunded	E-8	4,371,920	-
New Jersey Infrastructure Bank:			
Interim Construction Loan Payable	E-10	543,653	-
Reserve for Encumbrances	E-9	7,588,955	-
Total Utility Capital Fund Liabilities, Reserves and Fund Balance		13,051,419	-
Total Utility Fund Liabilities, Reserves and Fund Balance		$ 13,052,810	$ -
Bonds and Noted Authorized But Not Issued	E-11	$ 12,456,347	$ -

See Accompanying Notes to Financial Statements

CITY OF BAYONNE **Exhibit E-1**
WATER AND SEWER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	Ref.	2025	2024
Revenue and Other Income Realized			
Non-Budget Revenues	E-2	$ 1,391	$ -
Statutory Excess to Fund Balance		1,391	
Fund Balance, January 1	E	-	-
		1,391	-
Decreased by:			
Utilized as Anticipated Revenue		-	-
Fund Balance, December 31	E	$ 1,391	$ -

See Accompanying Notes to Financial Statements

CITY OF BAYONNE **Exhibit E-2**
WATER AND SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Total Budget Revenues	$ -	$ -	$ -	$ -
Non-Budget Revenues	-	-	1,391	1,391
Total Parking Utility Revenues	$ -	$ -	$ 1,391	$ 1,391
Interfund: Water and Sewer Utility Capital Interest		E-1, E-5	$ 1,391	

See Accompanying Notes to Financial Statements

CITY OF BAYONNE **Exhibit F**
GENERAL FIXED ASSETS
AS OF DECEMBER 31, 2025 AND 2024

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS

Assets	Ref.	2025	2024
Land		$ 128,963,170	$ 32,233,607
Buildings and Improvements	F-1	107,336,641	107,292,926
Vehicles and Equipment	F-1	26,066,382	22,007,853
		$ 262,366,193	$ 161,534,386
Investment in Fixed Assets			
Investment in General Fixed Assets	F-2	$ 262,366,193	$ 161,534,386

See Accompanying Notes to Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The City of Bayonne (the "City") is a general-purpose government that is governed by a separately elected governing body. It is legally separate and fiscally independent of other state and local governments. The City is organized as a Mayor – Council municipality under the provisions of N.J.S.A. 40:69A. The City is governed by an elected Mayor and Council, and by such other officers and employees as may be duly appointed. The Council consists of five members, two of which are elected at-large by voters of the City and serve a term of four years beginning on the first day of July next following their election. The Mayor is also elected directly by the voters of the City and also serves a term of four years beginning the first day of July following the election.

The accompanying financial statements include all boards, bodies, officers, and commissions supported and maintained wholly or in part through appropriations of the City, as required by N.J.S.A. 40A:5-5.

The Governmental Accounting Standards Board ("GASB") establishes criteria for determining component units that should be included in the financial statements of a primary government.
The State of New Jersey, Department of Community Affairs, Division of Local Government Services (the "Division") requires the financial statements of the City to be reported separately from its component units. However, the expenditures and revenues of the Bayonne Public Library are accounted for in the books and records of the City, therefore, the Library is blended with the financial statements of the City. If GASB reporting requirements were applied, the following entities would be discretely presented as component units of the City:

- Bayonne Housing Authority
- Special Improvement District

Separate audited financial statements for these entities may be obtained from their respective administrative offices.

BASIS OF PRESENTATION

The City's financial statements are prepared in accordance with accounting principles prescribed by the Division, which differ in certain respects from U.S. generally accepted accounting principles (GAAP). The most significant differences between the Division's reporting framework and GAAP relate to:

- Revenue recognition
- Recognition of expenditures and encumbrances
- Long-term liabilities and compensated absences
- Pension and other postemployment benefit reporting
- Capital asset accounting and depreciation
- Fund balance classification

The Division's reporting framework is designed primarily to demonstrate compliance with legal requirements, budgetary restrictions, and the stewardship of public funds. Accordingly, the City's financial transactions are reported through separate funds and account groups prescribed by the Division, which differ from the governmental fund structure required under GAAP.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

DESCRIPTION OF FUNDS

The City maintains its accounts in accordance with the Division's principles of fund accounting. Resources are classified and reported based on the activities or objectives for which they are intended.

Current Fund

Accounts for the City's general governmental operations, including substantially all current revenues and expenditures not required to be accounted for in another fund.

Federal and State Grants Fund

Accounts for resources received and expended under federal, state and other grant programs after first having been adopted by Current Fund budget or subsequent modification. This fund is presented within the City's Current Fund financial statements and schedules.

Trust Funds

Trust funds are used to account for assets held by the City in a trustee or custodial capacity. These funds include dedicated purpose trusts, developer deposits, payroll withholdings, tax sale premium funds, and other statutory trust activities. Descriptions of each trust fund follows:

- Animal Control Trust Fund – Accounts for dog and cat license fees and related expenditures in accordance with N.J.S.A. 4:19-15.11.
- Trust Fund – Other Funds – Accounts for assets held by the City in a trustee or agency capacity, including affordable housing fees, dedicated fees and penalties, escrow accounts, forfeitures, donations, storm recovery funds, accumulated absences reserves, auction proceeds, recreation programs, construction fees and permits, recycling program, tree replacement program, FSA Flex plans, POAA, cash bond deposits, library reserves, urban enterprise zone programs and off-duty police employment activities.
- Housing and Urban Development Trust Fund – Accounts for federal housing and community development grant funds, including the Community Development Block Grant (CDBG) program.
- Payroll Clearing Fund – Accounts for funds transferred for payroll processing and the collection and remittance of employee withholdings, retirement contributions, payroll taxes, and other required deductions.
- Insurance Fund – Accounts for assets held by the City in a trustee or agency capacity, including unemployment and disability.
- Tax Lien Redemption Fund – Accounts for assets held by the City in a trustee or agency capacity, including tax sale redemptions and premiums due to the bulk levy purchaser.
- Redevelopment Escrow Trust Fund - Accounts for assets held by the City in a trustee or agency capacity for redevelopment escrow accounts.

General Capital Fund

Accounts for the acquisition and financing of capital improvements and related debt obligations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Parking Utility Fund

Accounts for operations and acquisition of capital facilities of the City owned Parking Utility. The Utility Operating Fund records revenues and expenditures applicable to the general operation of the program to provide parking management services in the City. The Utility Capital Fund is used to account for capital acquisitions and improvements used to support the City's parking management functions, and the related debt issued to finance such acquisitions and improvements.

Water and Sewer Utility Fund

Accounts for the City's water and sewer utility operations and capital improvements to its water distribution and sewer collection systems, including improvements required to comply with applicable New Jersey laws, regulations, and Department of Environmental Protection requirements.

General Fixed Assets

Accounts for the inventory of governmental fixed assets acquired from resources of each individual fund, in accordance with N.J.A.C. 5:30-6.. Fixed assets are not capitalized in other funds.

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared in accordance with accounting principles and practices prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services (the "Division"). This reporting framework constitutes a special purpose framework designed primarily to demonstrate compliance with legal requirements, budgetary restrictions, and the stewardship of public funds.

Although the Division's accounting principles generally follow a current financial resources measurement focus and modified accrual basis of accounting, they differ in several significant respects from accounting principles generally accepted in the United States of America ("GAAP"). As a result, the accompanying financial statements are not intended to present financial position, changes in financial position, or cash flows in accordance with GAAP. The more significant differences between the Division's accounting principles and GAAP are summarized below:

Accounting Area	Regulatory Basis (DLGS)	GAAP
Revenue Recognition	Revenues are generally recognized when received in cash. Property tax and other receivables with the exception of certain intergovernmental receivables, are offset by reserves and recognized as revenue when collected.	Revenues are recognized when measurable and available. Receivables are reported net of an allowance for uncollectible amounts.
Reserve for Uncollected Taxes	A statutory reserve is required to provide assurance that anticipated tax collections will be available to support current operations. The minimum reserve required is determined on the preceding year's percentage of tax collection.	No comparable reserve is required.
Encumbrances	Outstanding purchase orders and contracts are recorded as expenditures through the encumbrance accounting system. Open encumbrances at year end are reported as cash liabilities.	Encumbrances are commitments and are not recorded as expenditures or liabilities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Area	Regulatory Basis (DLGS)	GAAP
Expenditures	Generally recognized when encumbered or paid. Appropriation reserves are established for unexpended budget appropriations	Expenditures are recognized when the related liability is incurred, except for certain long-term obligations.
Appropriation Reserves	Unexpended appropriations are carried forward through appropriation reserves and remain available during the succeeding year in accordance with statute.	Appropriation reserves are not recognized.
Interfund Receivables	Interfund receivables in the Current Fund are offset by reserves that delay revenue recognition until collected.	No offsetting reserve is required.
Inventories	Inventory purchases are recorded as expenditures when acquired.	Inventories are recorded as assets until consumed, with the offsetting equity to be classified as nonspendable fund balance.
Property Acquired for Taxes (Tax Foreclosure)	Property acquired through tax foreclosure is recorded at assessed value and fully reserved.	Such property is generally reported at acquisition-date fair value.
Long-Term Debt	General obligation debt is reported in the General Capital Fund together with related deferred charges to future taxation.	Long-term debt is reported as a government-wide liability. Deferred charges to future taxation are not recognized.
Financed Purchases	Certain operating leases are not recognized as liabilities.	Lease liabilities and related right-to-use assets are recognized pursuant to GASB Statement No. 87.
Capital Project Authorizations	Improvement authorizations are reported as reserves until expended, and deferred charges as assets until corresponding debt service issued to finance the improvement authorization is funded by budget appropriation or other means.	Such balances are not recognized as liabilities or deferred charges.
Compensated Absences	Costs for vacation, sick leave and other compensated absences are recognized when paid and budgeted. (Pay-as-you-go basis).	Liabilities are accrued as benefits are earned.
Pension & Other Post Employment Benefit Accounting	Pension disclosures required by GASB are presented; however, net pension and OPEB liabilities, deferred outflows, deferred inflows, and related pension and OPEB expense are generally not recorded in the financial statements.	Employers recognize their proportionate share of net pension and OPEB liabilities, deferred outflows, deferred inflows, and expenses for pension, OPEB and related.
Capital Assets	Certain infrastructure and intangible assets are not capitalized. Depreciation is not recorded. "General Fixed Assets" accounts for the inventory of all capital assets, with each fund recording acquisitions as expenditures	Capital assets, including infrastructure and certain intangible assets, are capitalized and depreciated over their estimated useful lives.
Fund Balance and Reserves	Statutory and other reserves are reported as liabilities and fund balance is not classified under the GAAP hierarchy.	Fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned.
Sale of Municipal Assets	Proceeds may be held until appropriated in a future budget.	Revenue is generally recognized in the period of sale.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Area	Regulatory Basis (DLGS)	GAAP
Fixed Capital (Utility Funds)	Records the full authorized amount of a utility capital project as Fixed Capital Authorized and Uncompleted until the project is completed or the acquisition is purchased, then reclassifies it to Fixed Capital.	Records costs incurred as construction in progress or capital assets; authorization alone does not create an asset. Completed assets are depreciated when placed in service.
Amortization Reserves (Utility Funds)	Records funded utility capital authorizations in a Reserve for Deferred Amortization. As related debt principal is repaid, amounts are recorded in the applicable amortization reserve; deferred amounts are transferred to the Reserve for Amortization when the project is completed or the asset acquired.	Does not record these amortization reserves. Principal payments reduce the outstanding debt, while completed capital assets are depreciated over their useful lives.

Reconciliation of Accounting Basis

Because of the significance of these differences, a reconciliation between the two would not be meaningful or informative and therefore is not provided herein.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of revenues and expenditures. Actual results could differ from these estimates.

Budgets and Budgetary Accounting

The City is required to adopt an annual budget and integrate it into its accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the Division in accordance with the Local Budget Law. The City must adhere to budget procedures established by the Division, including statutory requirements governing budget adoption, transfers of appropriations, emergency appropriations, and amendments to the adopted budget. Budgets are prepared on the same accounting basis utilized for the preparation of the accompanying financial statements. Budgetary requirements apply only to the Current Fund and do not apply to the Trust Funds, General Capital Fund, or General Fixed Assets.

State statutes also require the City to annually adopt a six-year capital improvement program. Capital expenditures may be incurred only through the adoption of capital ordinances and in accordance with the approved capital plan.

The City is also subject to statutory limitations on annual increases in both appropriations and the property tax levy. The principal budgetary limitations are summarized below:

Budget Limitation	Summary
Appropriation Cap of 1977	Limits annual increases in appropriations, subject to statutory exceptions and adjustments. The allowable increase is generally the lesser of 2.5% or the calculated cost-of-living adjustment ("COLA"). When permitted by statute, the City may increase allowable inside-the-cap spending to 3.5% through adoption of a COLA Rate Ordinance.
2010 Levy Cap	Limits annual increases in the amount to be raised by taxation (tax levy). The core calculation generally permits a 2% increase over the prior year's levy, subject to statutory adjustments, exclusions, and emergency appropriations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions

The City participates in several retirement systems, including the State-administered Public Employees' Retirement System ("PERS"), Police and Firemen's Retirement System ("PFRS"), and Defined Contribution Retirement Program ("DCRP"), as well as the Jersey City Employees' Retirement System ("JCERS"), a single-employer defined benefit pension plan established by the City.

The Division requires pension disclosures substantially consistent with the provisions of GASB Statement No. 68. Accordingly, detailed information regarding plan participation, actuarial assumptions, deferred outflows of resources, deferred inflows of resources, pension expense, and net pension liabilities is presented in Note 6.

Unlike GAAP, however, the Division's reporting framework does not require the recognition of the City's proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, or related pension expense within the basic financial statements. Pension costs are recognized primarily through budget appropriations and contributions paid during the year.

Other Postemployment Benefits (OPEB)

The City provides postemployment healthcare and related benefits through its Postretirement Welfare Plan, which includes medical, prescription drug, Medicare Part B reimbursement, certain dental, and life insurance benefits for eligible retirees and beneficiaries. The plan is administered by the City and is funded on a pay-as-you-go basis. In addition, certain City employees participate in State-administered postemployment benefit programs. As a result, the City is allocated a proportionate share of the State's collective OPEB liability and related deferred outflows and inflows of resources associated with those programs.

The Division requires disclosures substantially consistent with GASB Statement No. 75, including information regarding the City's Postretirement Welfare Plan and the City's proportionate share of the State-administered OPEB plan. Such disclosures include OPEB liabilities, related deferred outflows and inflows of resources, OPEB expense, actuarial assumptions, and other required supplementary information. This information is presented in Note 7.

Under the Division's accounting principles, OPEB costs are generally recognized when funded through budget appropriations. Accordingly, the City's total OPEB liability associated with its Postretirement Welfare Plan, as well as its proportionate share of the net OPEB liability and related deferred outflows and inflows of resources associated with the State-administered plan, are not reported in the accompanying financial statements.

Availability of Audited Employer and Nonemployer Allocations of the State of New Jersey Pension and OPEB Plans

The Division permits municipalities to include in their annual audits the most recently available audited pension and OPEB information issued by the New Jersey Division of Pensions and Benefits in accordance with GASB Statements No. 68 and No. 75. Under GAAP, this information must be measured as of a date no earlier than the end of the City's preceding fiscal year, and the underlying actuarial valuation date may not be more than 30 months and one day prior to the City's most recent fiscal year-end.

General Fixed Assets

Accounting for governmental (general) fixed assets under the accounting principles prescribed by the Division differs significantly from GAAP. Under the DLGS reporting framework, governmental fixed assets are maintained primarily for accountability purposes through a separate grouping titled “General Fixed Assets”. As a result, the reported capital asset balances differ significantly from those that would be reported under GAAP. The more significant differences are summarized below:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Area	Regulatory Basis (DLGS)	GAAP
Asset Recognition	Fixed assets are maintained in 'General Fixed Assets', and acquisitions are generally recorded as expenditures when purchased.	Capital assets are recorded as assets and reported in the government-wide financial statements.
Infrastructure and Intangible Assets	Infrastructure assets and certain intangible assets, including franchise concession arrangements, are generally not capitalized.	Infrastructure and qualifying intangible assets are capitalized and reported as capital assets.
Construction Costs	Construction costs are accumulated in the General Capital Fund until projects are completed and placed into service.	Construction in progress is reported as a capital asset.
Depreciation	Depreciation is not recorded.	Capital assets are depreciated over their estimated useful lives, unless exempt under applicable GASB standards.
Overall Effect	Capital asset balances are reported in accordance with statutory requirements.	Capital asset balances include infrastructure, intangible assets, accumulated depreciation, and related obligations.

Additional information regarding General Fixed Assets is presented in Note 12.

Cash and Investment Management Policy

New Jersey statutes require that municipal deposits be held in financial institutions that participate in the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted to protect governmental units from loss of funds on deposit with a failed banking institution. Under GUPDA, the first $250,000 of governmental deposits in each insured depository institution is protected by the Federal Deposit Insurance Corporation ("FDIC"). Deposits in excess of FDIC coverage are protected by GUDPA through a collateral pool maintained by participating financial institutions. Public depositories are required to pledge collateral for the benefit of governmental depositors and to comply with collateralization requirements established by the New Jersey Department of Banking and Insurance.

In accordance with N.J.S.A. 40A:5-14, the Municipality has adopted a Cash Management Plan that governs the deposit and investment of public funds. The Cash Management Plan is designed to ensure the safety and liquidity of municipal funds while maximizing investment earnings within the parameters established by New Jersey statutes. The Plan designates authorized depositories and investment instruments and establishes policies and procedures for the prudent management of public funds.

New Jersey statutes and the City's cash management plan govern the types of investments that may be purchased by the City. Permitted investments include:

- Obligations of, or guaranteed by, the United States Government.
- Obligations of federal agencies and instrumentalities.
- Obligations of the State of New Jersey and its political subdivisions, including municipalities, counties, school districts, and certain authorities, subject to statutory requirements.
- Securities approved by the New Jersey Division of Investment for investment by local units.
- Local government investment pools, including the New Jersey Cash Management Fund.
- Fully collateralized repurchase agreements meeting statutory requirements.

The City is prohibited from investing in any securities not specifically authorized by New Jersey statutes. Additional information regarding Cash, Cash Equivalents and Investments is presented in Note 2.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIC FINANCIAL STATEMENTS

The City presents financial statements which are required by the Division and which differ from the financial statements required by GAAP. These financial statements are listed in the table of contents.

Comparative Data

Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the City's financial position and operations. Comparative data is not presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Reclassifications

Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. These reclassifications had no effect on fund balance and changes in fund balance.

Major Funds

All funds are reported as major. No distinction between major and non-major funds is required by the Division, therefore related information such as combining statements are not required. GAAP requires this distinction.

Required Supplementary Information

GAAP requires that the management's discussion and analysis, budgetary comparison information and certain other information, including pension and other post-employment benefits, be included and presented as "Required Supplementary Information". The management's discussion and analysis is not required by the financial reporting provisions of the Division and has therefore been omitted by management. Budgetary comparison information of the Current Fund is included in the basic financial statements as the Statement of Revenues and Statement of Appropriations. Certain other information, including pension and post-employment benefit information, is included in the Notes to Financial Statements.

Recent Accounting Pronouncements

GASB has issued several recent accounting and financial reporting standards that may affect the City's financial statement disclosures. The City's financial statements are prepared in accordance with accounting principles prescribed, which differ from GAAP. Accordingly, implementation of GASB pronouncements may affect note disclosures or required supplementary information even when the related assets, liabilities, deferred outflows, deferred inflows, or expenses are not recognized in the basic financial statements. Some of these recent pronouncements which became effective dates during either of the years ended December 31, 2025 or 2024 are as follows:

- GASB Statement No. 102*, Certain Risk Disclosures* requires disclosures regarding certain concentrations or constraints that could cause a substantial impact, effective fiscal years beginning after June 15, 2024. The City is evaluating whether additional disclosures are required for concentrations or constraints meeting the criteria of the Statement.
- GASB Statement No. 101*, Compensated Absences* updates recognition and measurement guidance for compensated absences, effective fiscal years beginning after December 15, 2023. This Statement may affect disclosures regarding compensated absences; however, under DLGS accounting principles, compensated absences are generally recognized when paid and funded through budget appropriations.
- GASB Statement No. 100*, Accounting Changes and Error Corrections* establishes accounting and disclosure requirements for accounting changes and error corrections, effective fiscal years beginning after June 15, 2023. The City has evaluated the Statement and does not expect it to have a material effect unless accounting changes or error corrections are identified.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management is evaluating the applicability of these pronouncements to the City's financial statements and related disclosures. The City does not currently expect the implementation of these standards to have a material effect on the financial statements prepared in accordance with accounting principles prescribed by the DLGS.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk, however, New Jersey statutes require that municipal deposits be held in financial institutions that participate in GUDPA (See Note 1 - Cash and Investment Management Policy for more on GUPDA). Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

a. Uncollateralized.

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

As of December 31, 2025 and 2024, the carrying amount and bank balance of the City's deposits, and the amounts secured under the provisions of FDIC and GUDPA, are as noted below:

	At December 31,	
	2025	2024
Insured - FDIC	$ 750,000	$ 750,930
Insured - GUDPA	75,501,126	58,729,192
Bank Balance (On Deposit)	$ 76,251,126	$ 59,480,122
Carrying Amount on Books	$ 76,689,559	$ 79,343,224

Concentration of Credit Risk

The City places no formal limit on the amount it may invest in any one financial institution. All of the City's deposits are insured by FDIC and GUDPAAs of December 31, 2025, 63% of the City's deposits were with one financial institution and 31% with another, for a total of 94% of the City's deposits with two financial institutions. As of December 31, 2024, 60% of the City's deposits were with one financial institution and 33% with another, for a total of 93% of the City's deposits with two financial institutions.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits. None of the City's deposits as of December 31, 2025 and 2024 are known to be held in foreign currency.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

INVESTMENTS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a counterparty failure, the City may be unable to recover the value of its investments or collateral securities held by an outside party. Investments are exposed to custodial credit risk if they are uninsured, unregistered, and held by the counterparty or its agent rather than in the City's name.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect investment values. The City had no investments denominated in foreign currencies.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities.

Credit Risk

Credit risk is the risk that an issuer or other counterparty will fail to fulfill its obligations. The City does not have a formal investment policy addressing credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investment in a single issuer. The City does not maintain a formal concentration limit; however, investments are restricted to those permitted by New Jersey statutes. For the year ending December 31, 2025 and 2024, the City did not have any investments that are classified as Government Investment Pools.

NOTE 3. PROPERTY TAXES

PROPERTY TAX CALENDAR

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1 and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with State statutes. In lieu of a traditional tax sale, the City annually conducts a bulk levy sale and sold the balance due of its tax levy for the fiscal years ended December 31, 2025 and 2024 to a third party purchaser. The sale included all properties except those which were in bankruptcy or subject to an existing municipal lien. The City received the full value of the balance due plus a premium of $226,000 and $182,183, respectively, in 2025 and 2024. The City continues to collect the taxes and any interest due and forwards those amounts weekly to the purchaser. The true tax collection rate, including the proceeds of the bulk levy tax sales, for the years ended December 31, 2025 and 2024 was 99.49% and 99.86%, respectively. The underlying tax collection rate, which excludes the proceeds of the bulk levy tax sales, for the years ended December 31, 2025 and 2024 was 98.49% and 98.98%, respectively.

NOTE 3. PROPERTY TAXES (continued)

TAXES COLLECTED AND REMITTED FOR OTHER ENTITIES AND DEDICATED PURPOSES

The property tax levy includes amounts required to fund the City's annual budget, as well as amounts levied and collected on behalf of other governmental entities, districts and dedicated purposes, including the following:

County Taxes

The City is responsible for levying, collecting and remitting county taxes for the County of Hudson. Current Fund operations are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. Monies are forwarded to the County quarterly. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year. As of December 31, 2025 and 2024, the City had County taxes payable of $75,958 and $51,993, respectively. The total County tax levied to City taxpayers during the year ended December 31, 2025 and 2024 amounted to $38,508,539 and $36,913,161, respectively

School Taxes

The City is responsible for levying, collecting and remitting school taxes for the local school district. Monies are forwarded to the school district monthly. Current Fund operations is charged for the full amount due to operate the local school district and is based upon the annual County certification of apportionment of levies. As of December 31, 2025 and 2024, the City had no school taxes payable, and instead had an overpayment of school taxes of $1,437,219, each year, reported as a revenue accounts receivable as of December 31, 2025. The school tax levy during the year ended December 31, 2025 and 2024, amounted to $76,259,424 and $74,764,141, respectively.

Special Improvement District

The City is responsible for levying, collecting and remitting Special Improvement District (SID) taxes. The SID taxes are derived from assessments made upon the members within the SID and billed through the quarterly property tax bills as noted above. Monies are forwarded to the SID on a quarterly basis. As of December 31, 2025 and 2024, the City had Special Improvement District taxes payable of $2,077,370 and $1,809,982, respectively. The total Special Improvement District tax levied and collected by the City during the year ended December 31, 2025 and 2024 amounted to $275,474 and $272,768, respectively.

Bayonne Public Library

Pursuant to N.J.S.A. 40:54-8, municipalities that maintain a free public library are required to annually raise and appropriate through taxation an amount equal to at least one-third of a mill on each dollar of assessable property based on the municipality's equalized valuation as certified by the Director of the Division of Taxation. The required library tax levy is dedicated to the support and maintenance of the municipal free public library and is assessed, levied, and collected in the same manner as other municipal property taxes. The City may raise library funding above the statutory minimum if approved by voter referendum or through additional appropriations from the municipal tax levy. During the years ended December 31, 2025 and 2024, the minimum library tax raised by the City was $3,613,410 and $3,306,137, respectively.

NOTE 3. PROPERTY TAXES (continued)

PROPERTY TAXES RECEIVABLE

Reserve for Uncollected Taxes

Property taxes levied and collected on behalf of other governmental entities, districts, and dedicated purposes must be remitted in full, effectively guaranteeing a 100% collection rate for those entities. As a result, the City bears the entire risk of tax delinquencies and non-collection. Accordingly, state statutes require the City to include a non-spending appropriation in its annual budget known as the "Reserve for Uncollected Taxes." This reserve provides assurance that current-year cash collections will be sufficient to meet the City's obligations as they become due, despite any taxes that remain unpaid.

The minimum reserve required to be appropriated is based on the percentage of tax collections realized in the immediately preceding year, unless the City elects to use the three-year average collection rate method. For the years ended December 31, 2025 and 2024, the budgeted Reserve for Uncollected Taxes was $1,134,478 and $1,587,129, respectively.

Delinquent Taxes and Tax Title Liens

As described in Note 1, taxes receivable and tax title liens are realized as revenue when collected. Uncollected receivables are fully reserved, so no provision is made for the uncollectible portions of these taxes. As of December 31, 2025 and 2024, property taxes receivable were $368,123 and $500,009, respectively and tax title liens receivable were $760,908 and $730,533, respectively.

Prepaid Taxes

Taxes collected in advance are recorded as cash liabilities in the financial statements. Prepaid taxes as of December 31, 2025 and 2024 were $2,266,636 and $877,545, respectively

Tax Overpayments

Overpaid taxes collected during the year and due to taxpayers either as a refund or tax credit are recorded as cash liabilities in the financial statements. Tax overpayments as of December 31, 2025 and 2024 were $923,117 and $4,172,660, respectively.

Property Acquired by Tax Title Lien Liquidation

There were no additional properties acquired by tax title lien liquidation during the year ended December 31, 2025 and 2024. The value of properties acquired by tax title lien liquidation as of December 31, 2025 and 2024 were $18,339,900 and $18,416,900, respectively.

NOTE 4. MUNICIPAL DEBT

DEBT OVERVIEW

The City finances capital improvements and certain Current Fund operating emergencies through the issuance of general serial bonds, bond anticipation notes, special emergency notes, green acres trust loan, capital appreciation bonds, infrastructure bank loans, parking revenue bonds and other obligations authorized under New Jersey statutes. General obligation bonds are backed by the full faith and credit of the City.

NOTE 4. MUNICIPAL DEBT (continued)

Significant debt-related activity during the year included:

- The renewal or refinancing of $3,200,000 of Special Emergency Notes and $26,009,000 of Bond Anticipation Notes.
- The issuance of $6,000,000 million of new Bond Anticipation Notes for various capital projects.
- The issuance of $3,000,000 million of new Special Emergency Notes for contractual severance liabilities.
- A reduction in net statutory debt from $205,791,534 at December 31, 2024 to $197,319,652 at December 31, 2025.

At December 31, 2025, the City's net statutory debt represented approximately 1.843% of equalized valuation, compared with 2.053% at December 31, 2024. The City remained well below the statutory debt limitation established by the Local Bond Law and maintained $177,349,046 and $145,105,413, as of December 31, 2025 and 2024, respectively, of remaining borrowing capacity.

SUMMARY OF MUNICIPAL DEBT

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

Statutory Debt

	Dec. 31, 2025			Dec. 31, 2024
	Issued and Outstanding	Authorized but not Issued	Total	Total
General:				
General Serial Bonds	$ 126,636,000	$ 45,604,104	$ 172,240,104	$ 184,550,708
Green Acres Trust Loan	8,342	-	8,342	24,780
Capital Appreciation Bonds	1,000,000	-	1,000,000	1,000,000
Bond Anticipation Notes	32,009,000	-	32,009,000	26,564,000
General Infrastructure Bank Loans Payable	4,712,153	-	4,712,153	5,442,046
Parking Revenue Bonds	575,000	-	575,000	850,000
Water & Sewer Infrastructure Bank Loans Payable	543,653	12,456,347	13,000,000	-
School: School Serial Bonds	15,071,000	-	15,071,000	19,941,000
Gross Statutory Debt Issued	180,555,148	58,060,451	238,615,599	238,372,534
Less Statutory Deductions to Debt Limit:				
Bonds and Notes for School Purposes	15,071,000	-	15,071,000	19,941,000
NJSA 40:2-52 Refunding Bonds - Pension Refunding	11,090,000	-	11,090,000	11,790,000
Self-Liquidating Purposes	1,118,653	12,456,347	13,575,000	850,000
Funds Held to Pay Bonds and Notes	1,559,947	-	1,559,947	-
Total Statutory Deductions	28,839,600	12,456,347	41,295,947	32,581,000
Statutory Net Debt	$ 151,715,548	$ 45,604,104	$ 197,319,652	$ 205,791,534

NOTE 4. MUNICIPAL DEBT (continued)

In addition to the general capital debt shown in the preceding schedule, the City had additional debt which, in accordance with statutes, is not included as part of the City's statutory debt position. Such debt is as follows:

Type of Debt	Fund	Balance Dec. 31, 2025	Balance Dec. 31, 2024
Special Emergency Notes (40A:4-55)	Current Fund	$ 6,200,000	$ 4,000,000
Leases Payable	General Capital Fund	5,766,494	6,049,958
Assignment Agreement Payable	General Capital Fund	35,000,000	40,000,000
		$ 46,966,494	$ 50,049,958

Summary of Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2025:

	Balance Dec. 31, 2024	Increase	Retirements	Balance Dec. 31, 2025	Due by Dec. 31, 2026
General Capital Fund:					
General Serial Bonds	$ 134,841,000	$ -	$ 8,205,000	$ 126,636,000	$ 6,910,000
School Serial Bonds	19,941,000	-	4,870,000	15,071,000	1,430,000
Capital Appreciation Bonds	1,000,000	-	-	1,000,000	-
Green Acres Trust Loan	24,780	-	16,438	8,342	8,342
Assignment Agreement Payable	40,000,000	-	5,000,000	35,000,000	5,000,000
Capital Leases Payable (Note 18)	6,049,958	280,393	563,857	5,766,494	598,468
Infrastructure Bank Loans Payable	5,442,046	311,581	1,041,474	4,712,153	100,768
Parking Utility Capital Fund:					
Parking Revenue Bonds	850,000	-	275,000	575,000	280,000
Water and Sewer Utility Capital Fund:					
Infrastructure Bank Loans Payable	-	543,653	-	543,653	-
	$ 208,148,784	$ 1,135,627	$ 19,971,769	$ 189,312,642	$ 14,327,578

The following is a summary of changes in long-term debt for the year ended December 31, 2024:

	Balance Dec. 31, 2023	Increase	Retirements	Balance Dec. 31, 2024	Due by Dec. 31, 2025
General Capital Fund:					
General Serial Bonds	$ 140,491,000	$ -	$ 5,650,000	$ 134,841,000	$ 8,205,000
School Serial Bonds	24,631,000	-	4,690,000	19,941,000	4,870,000
Capital Appreciation Bonds	1,000,000	-	-	1,000,000	-
Green Acres Trust Loan	40,894	-	16,114	24,780	16,438
Assignment Agreement Payable	45,000,000	-	5,000,000	40,000,000	5,000,000
Capital Leases Payable (Note 18)	6,608,359	-	558,401	6,049,958	520,825
Infrastructure Bank Loans Payable	4,539,769	967,183	64,906	5,442,046	99,697
Parking Utility Capital Fund:					
Parking Revenue Bonds	1,110,000	-	260,000	850,000	275,000
	$ 223,421,022	$ 967,183	$ 16,239,421	$ 208,148,784	$ 18,986,960

NOTE 4. MUNICIPAL DEBT (continued)

School Debt (Included as Obligations of the City)

Pursuant to a referendum approved at the general election held in November, 2014, the Bayonne Board of Education became a Type II School District. As a Type II School District, debt issued and authorized by the Board of Education is included in the City's statutory gross debt; however, such debt does not constitute an obligation of the City. Accordingly, only the portion of school district debt, if any, that exceeds the school district's statutory debt limit is included in the City's net debt. Prior to the 2014 referendum, the Bayonne Board of Education operated as a Type I school district. As a result, bonds and notes issued and authorized by the Board of Education prior to November, 2014 remain general obligations of the City while outstanding. As of December 31, 2025 and 2024, such outstanding debt totaled $15,071,000 and $19,941,000, respectively.

Debt Refunding

During the years ended December 31, 2025, the City refunded or renewed $26,009,000 of Bond Anticipation Notes, and $3,200,000 of Special Emergency Notes. During the years ended December 31, 2024, the City refunded or renewed $26,597,261 of Bond Anticipation Notes.

Proceeds of the renewed or refunded notes were used to pay the principal of the maturing notes less statutory minimum payments appropriated through the Current Fund budget.

Qualified Bonds

Certain bonds of the City are issued pursuant to the Municipal Qualified Bond Act. Under this act, portions of State Aid revenues are withheld by the State of New Jersey and forwarded directly to paying agents for principal and interest payments of such bonds. The City is responsible to certify maturity schedules of the qualified bonds to the State. During the year ended December 31, 2025 and 2024, the State of New Jersey paid $5,521,105 and $3,123,650, respectively, of qualified bond interest and principal maturities directly to paying agents on behalf of the City in lieu of State Aid.

BONDS PAYABLE

General Serial Bonds Payable

The City has outstanding at December 31, 2025 and 2024 various general serial bonds. Included in these bonds are Federally Taxable Pension Refunding Bonds, issued in 2003 in the amount of $15,795,000, the proceeds of which were used to pay the pension liabilities issued in 2003 arising from the City's election to participate in the Early Retirement Incentive (ERI) Program for employees covered by PERS, PFRS and TPAF.

The following tables summarize the activity for such debt during the years ended December 31, 2025 and 2024, and the short term liability for each bond outstanding at year end:

NOTE 4. MUNICIPAL DEBT (continued)

2025 Summary of General Serial Bonds Activity

Description	Balance Dec. 31, 2024	Increase	Decrease	Balance Dec. 31, 2025	Due by Dec. 31, 2026
Employee Retirement Incentive Refunding Bonds Issued 1/15/2003 for $15,795,000 Maturing annually from 2011 to 2033 Bearing variable interest rates ranging from 5.05% to 5.68%	$ 11,790,000	$ -	$ 700,000	$ 11,090,000	$ 800,000
Hudson County Improvement Authority Issued 10/24/2008 for $10,000,000 Maturing annually from 2011 to 2025 Bearing an interest rates of 7.5%	1,495,000	-	1,495,000	-	-
Special Assessment Bonds Issued 11/19/2014 for $6,322,000 Maturing annually from 2015 to 2034 Bearing variable interest rates ranging from 2.25% to 5.00%	3,150,000	-	315,000	2,835,000	315,000
General Obligation Refunding Bonds Issued 6/10/2015 for $3,020,000 plus refunding of Redevelopment Agency Revenue Bonds in amount of $11,755,000 Maturing annually from 2015 to 2038 Bearing variable interest rates ranging from 2.0% to 4.125%	11,100,000	-	610,000	10,490,000	635,000
General Improvement Infrastructure Bond Issued 3/22/2016 for $66,000,000 Maturing annually from 2017 to 2026 Bearing variable interest rates ranging from 3.0% to 5.0%	4,805,000	-	2,380,000	2,425,000	2,425,000
General Improvement Infrastructure Bond Issued 4/17/2018 for $7,208,000 Maturing annually from 2019 to 2029 Bearing variable interest rates ranging from 2.0% to 5.0%	3,643,000	-	685,000	2,958,000	705,000
General Improvement Infrastructure Bond Issued 4/17/2018 for $13,447,000 Maturing annually from 2019 to 2048 Bearing variable interest rates ranging from 4.25% to 5.00%	11,317,000	-	355,000	10,962,000	355,000
General Improvement Infrastructure Bond Issued 5/11/2020 for $27,026,000 Maturing annually from 2021 to 2050 Bearing variable interest rates ranging from 3.00% to 5.00%	24,026,000	-	750,000	23,276,000	750,000
General Improvement Refundings Bond Issued 8/5/2021 for $66,375,000 Maturing annually from 2022 to 2039 Bearing variable interest rates ranging from .392% to 2.814%	63,515,000	-	915,000	62,600,000	925,000
	$ 134,841,000	$ -	$ 8,205,000	$ 126,636,000	$ 6,910,000

NOTE 4. MUNICIPAL DEBT (continued)

2024 Summary of General Serial Bonds Activity

Description	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Due by Dec. 31, 2025
Employee Retirement Incentive Refunding Bonds Issued 1/15/2003 for $15,795,000 Maturing annually from 2011 to 2033 Bearing variable interest rates ranging from 5.05% to 5.68%	$ 12,390,000	$ -	$ 600,000	$ 11,790,000	$ 700,000
Hudson County Improvement Authority Issued 10/24/2008 for $10,000,000 Maturing annually from 2011 to 2025 Bearing an interest rates of 7.5%	2,145,000	-	650,000	1,495,000	1,495,000
Special Assessment Bonds Issued 11/19/2014 for $6,322,000 Maturing annually from 2015 to 2034 Bearing variable interest rates ranging from 2.25% to 5.00%	3,465,000	-	315,000	3,150,000	315,000
General Obligation Refunding Bonds Issued 6/10/2015 for $3,020,000 plus refunding of Redevelopment Agency Revenue Bonds in amount of $11,755,000 Maturing annually from 2015 to 2038 Bearing variable interest rates ranging from 2.0% to 4.125%	11,680,000	-	580,000	11,100,000	610,000
General Improvement Infrastructure Bond Issued 3/22/2016 for $66,000,000 Maturing annually from 2017 to 2026 Bearing variable interest rates ranging from 3.0% to 5.0%	5,630,000	-	825,000	4,805,000	2,380,000
General Improvement Infrastructure Bond Issued 4/17/2018 for $7,208,000 Maturing annually from 2019 to 2029 Bearing variable interest rates ranging from 2.0% to 5.0%	4,308,000	-	665,000	3,643,000	685,000
General Improvement Infrastructure Bond Issued 4/17/2018 for $13,447,000 Maturing annually from 2019 to 2048 Bearing variable interest rates ranging from 4.25% to 5.00%	11,672,000	-	355,000	11,317,000	355,000
General Improvement Infrastructure Bond Issued 5/11/2020 for $27,026,000 Maturing annually from 2021 to 2050 Bearing variable interest rates ranging from 3.00% to 5.00%	24,776,000	-	750,000	24,026,000	750,000
General Improvement Refundings Bond Issued 8/5/2021 for $66,375,000 Maturing annually from 2022 to 2039 Bearing variable interest rates ranging from .392% to 2.814%	64,425,000	-	910,000	63,515,000	915,000
	$ 140,491,000	$ -	$ 5,650,000	$ 134,841,000	$ 8,205,000

NOTE 4. MUNICIPAL DEBT (continued)

School Serial Bonds Payable

The City has the following school serial bonds outstanding at December 31, 2025:

2025 Summary of School Serial Bonds Activity

Description	Balance Dec. 31, 2024	Increase	Decrease	Balance Dec. 31, 2025	Due by Dec. 31, 2026
School Bonds					
Issued 11/19/2014 for $6,121,000					
Maturing annually from 2015 to 2034					
Bearing interest rates of 2.25% to 5.0%	$ 3,641,000	$ -	$ 305,000	$ 3,336,000	$ 320,000
School Refunding Bonds					
Issued 8/13/2014 for $28,380,000					
Maturing annually from 2016 to 2025					
Bearing interest rates of 3.0% to 5.0%	3,320,000	-	3,320,000	-	-
School Bonds (NJ School Bond Reserve Act)					
Issued 6/10/2015 for $1,639,000 plus refunding of old School Bonds in amount of $13,836,000					
Maturing annually from 2015 to 2025					
Bearing interest rates of 2.0% to 5.0%	615,000	-	615,000	-	-
School Refunding Bonds Series 2016					
Issued 4/19/2016 for $3,425,000					
Maturing annually from 2017 to 2025					
Bearing interest rates of 2.0% to 4.0%	385,000	-	385,000	-	-
School Refunding Bonds Series 2021					
Issued 8/5/2021 for $12,700,000					
Maturing annually from 2017 to 2030					
Bearing interest rates of .392% to 1.942%	11,980,000	-	245,000	11,735,000	1,110,000
	$ 19,941,000	$ -	$ 4,870,000	$ 15,071,000	$ 1,430,000

The City has the following school serial bonds outstanding at December 31, 2024:

NOTE 4. MUNICIPAL DEBT (continued)

2024 Summary of School Serial Bonds Activity

Description	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Due by Dec. 31, 2025
School Bonds					
Issued 11/19/2014 for $6,121,000					
Maturing annually from 2015 to 2034					
Bearing interest rates of 2.25% to 5.0%	$ 3,931,000	$ -	$ 290,000	$ 3,641,000	$ 305,000
School Refunding Bonds					
Issued 8/13/2014 for $28,380,000					
Maturing annually from 2016 to 2025					
Bearing interest rates of 3.0% to 5.0%	6,500,000	-	3,180,000	3,320,000	3,320,000
School Bonds (NJ School Bond Reserve Act)					
Issued 6/10/2015 for $1,639,000 plus refunding of old School Bonds in amount of $13,836,000					
Maturing annually from 2015 to 2025					
Bearing interest rates of 2.0% to 5.0%	1,225,000	-	610,000	615,000	615,000
School Refunding Bonds Series 2016					
Issued 4/19/2016 for $3,425,000					
Maturing annually from 2017 to 2025					
Bearing interest rates of 2.0% to 4.0%	755,000	-	370,000	385,000	385,000
School Refunding Bonds Series 2021					
Issued 8/5/2021 for $12,700,000					
Maturing annually from 2017 to 2030					
Bearing interest rates of .392% to 1.942%	12,220,000	-	240,000	11,980,000	245,000
	$ 24,631,000	$ -	$ 4,690,000	$ 19,941,000	$ 4,870,000

Parking Utility Capital Fund - Revenue Bonds Payable

The City has outstanding at December 31, 2025 and 2024 various Parking Utility Bonds. The following table is a summary of the activity for such debt during the year ended December 31, 2024 and the short term liability for each issue:

2025 Summary of Parking Revenue Bond Activity

Description	Balance Dec. 31, 2024	Increase	Decrease	Balance Dec. 31, 2025	Due by Dec. 31, 2026
Parking Utility Refunding Bonds					
Issued 6/10/2015 for $50,000 plus refunding of parking revenue bonds in amount of $2,480,000					
Maturing annually from 2015 to 2027					
Bearing interest rates of 2.0% to 5.0%	$ 850,000	$ -	$ 275,000	$ 575,000	$ 280,000
	$ 850,000	$ -	$ 275,000	$ 575,000	$ 280,000

NOTE 4. MUNICIPAL DEBT (continued)

The following table is a summary of the activity for such debt during the year ended December 31, 2024 and the short term liability for each issue:

2024 Summary of Parking Revenue Bond Activity

Description	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Due by Dec. 31, 2025
Parking Utility Refunding Bonds Issued 6/10/2015 for $50,000 plus refunding of parking revenue bonds in amount of $2,480,000 Maturing annually from 2015 to 2027 Bearing interest rates of 2.0% to 5.0%	$ 1,110,000	$ -	$ 260,000	$ 850,000	$ 275,000
	$ 1,110,000	$ -	$ 260,000	$ 850,000	$ 275,000

Parking Utility Capital Fund – Self Liquidating

As shown in the calculations below, the Parking Utility generated revenues sufficient to meet the costs specified in N.J.S.A. 40A:2-45 for each of the years ended December 31, 2025 and 2024. In addition, the City established a Water and Sewer Utility Fund in 2025. Pursuant to N.J.S.A. 40A:2-46, the Water and Sewer Utility qualifies as self-liquidating in 2025 because the period of construction has not been completed. Accordingly, the Parking Utility and Water and Sewer Utility both qualified as self-liquidating in both years, and the full amount of the combined outstanding debt was deductible from the City's gross debt in the respective year. When a utility does not meet the self-liquidating test, the resulting deficit is capitalized for purposes of determining the allowable debt deduction.

Self-Liquidating Utility Calculation

	Parking Utility	
	2025	2024
Total Cash Receipts from Fees, Rents or Other Charges	$ 2,453,015	$ 2,347,093
Surplus Anticipated	200,000	-
	2,653,015	2,347,093
Debt Service:		
Interest	33,821	47,133
Serial Bonds	275,000	260,000
Total Debt Service	308,821	307,133
Operating and Maintenance Cost	2,232,542	1,843,608
Total Deductions	2,541,363	2,150,741
Excess in Revenues	111,652	196,352
Deficit in Revenues	$ -	$ -

Allowable Deductions to Gross Utility Debt

Deficit: Smaller of Deficit in Revenue or Debt Service	$ -	$ -
Deficit Capitalized at 5%	-	-
Gross Utility Debt	575,000	850,000
Allowable Deduction After Deficit	575,000	850,000
Cash Held to Pay Bonds and Notes	-	-
Allowable Deduction to Gross Utility Debt	$ 575,000	$ 850,000

The total outstanding deductible debt for the Water and Sewer Utility was $13,000,000 as of December 31, 2025.

NOTE 4. MUNICIPAL DEBT (continued)

The repayment schedule of annual bonded debt service principal and interest for the next five years, and five-year increments there-after, for bonds outstanding is as follows:

Year Ended	General Serial Bonds		School Serial Bonds		Parking Revenue Bonds		Total	Total
Dec. 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 6,910,000	$ 4,217,777	$ 1,430,000	$ 301,610	$ 280,000	$ 25,800	$ 8,620,000	$ 4,545,187
2027	7,160,000	3,918,280	2,905,000	278,813	295,000	11,800	10,360,000	4,208,892
2028	7,305,000	3,697,836	3,075,000	231,369	-	-	10,380,000	3,929,205
2029	7,483,000	3,460,333	3,230,000	175,756	-	-	10,713,000	3,636,089
2030	6,875,000	3,219,207	2,815,000	113,142	-	-	9,690,000	3,332,349
2031-2035	39,410,000	12,369,452	1,616,000	139,340	-	-	41,026,000	12,508,792
2036-2040	34,805,000	6,179,900	-	-	-	-	34,805,000	6,179,900
2041-2045	7,980,000	2,658,150	-	-	-	-	7,980,000	2,658,150
2046-2050	8,708,000	836,930	-	-	-	-	8,708,000	836,930
	$126,636,000	$ 40,557,864	$ 15,071,000	$ 1,240,030	$ 575,000	$ 37,600	$142,282,000	$ 41,835,493

Capital Appreciation Bonds – Dissolution of Bayonne Municipal Utilities Authority (BMUA) - Effective December 31, 2016, the Bayonne Municipal Utilities Authority was officially dissolved and the City assumed its operations and outstanding debt, which consists of two capital appreciation bonds. Capital appreciation bonds accrete to par value over the life of the bond, in this case 40 years. The City records the obligation at the total amount due at maturity in 2052. The Water System Revenue Bond and the Sewer System Revenue Bond were each issued December 21, 2012 for $100,000, maturing in 2052 bearing an interest rate of 4.06%. The following tables represent the accretion schedule through maturity:

	Water Accrual	Sewer Accrual		Water Accrual	Sewer Accrual		Water Accrual	Sewer Accrual
2012	$ 100,000	$ 100,000	2026	$175,647	$175,647	2040	$ 308,517	$ 308,517
2013	104,106	104,106	2027	182,858	182,858	2041	321,184	321,184
2014	108,380	108,380	2028	190,365	190,365	2042	334,370	334,370
2015	112,830	112,830	2029	198,181	198,181	2043	348,098	348,098
2016	117,462	117,462	2030	206,318	206,318	2044	362,390	362,390
2017	122,284	122,284	2031	214,788	214,788	2045	377,268	377,268
2018	127,305	127,305	2032	223,607	223,607	2046	392,758	392,758
2019	132,532	132,532	2033	232,787	232,787	2047	408,883	408,883
2020	137,973	137,973	2034	242,345	242,345	2048	425,670	425,670
2021	143,638	143,638	2035	252,294	252,294	2049	443,146	443,146
2022	149,535	149,535	2036	262,653	262,653	2050	461,340	461,340
2023	155,674	155,674	2037	273,436	273,436	2051	480,281	480,281
2024	162,066	162,066	2038	284,663	284,663	2052	500,000	500,000
2025	168,719	168,719	2039	296,350	296,350			

NOTE 4. MUNICIPAL DEBT (continued)

LOANS PAYABLE

Green Trust Loans Payable

The City has outstanding at December 31, 2025 and 2024 Green Trust Loans.

The following table is a summary of the activity for such debt during the year ended December 31, 2025 and the short-term principal liability for each issue:

2025 Summary of Green Trust Loans Activity

Description	Balance Dec. 31, 2024	Decrease	Balance Dec. 31, 2025	Due by Dec. 31, 2026
1995 GFB				
Issued 2006 for $171,000				
Maturing annually from 2007 to 2026				
Bearing variable interest rates	$ 15,636	$ 10,372	$ 5,264	$ 5,264
95GT				
Issued 2006 for $100,000				
Maturing annually from 2007 to 2026				
Bearing variable interest rates	9,144	6,066	3,078	3,078
	$ 24,780	$ 16,438	$ 8,342	$ 8,342

The following table is a summary of the activity for such debt during the year ended December 31, 2024 and the short-term principal liability for each issue:

2024 Summary of Green Trust Loans Activity

Description	Balance Dec. 31, 2023	Decrease	Balance Dec. 31, 2024	Due by Dec. 31, 2025
1995 GFB				
Issued 2006 for $171,000				
Maturing annually from 2007 to 2026				
Bearing variable interest rates	$ 25,804	$ 10,168	$ 15,636	$ 10,372
95GT				
Issued 2006 for $100,000				
Maturing annually from 2007 to 2026				
Bearing variable interest rates	15,090	5,946	9,144	6,066
	$ 40,894	$ 16,114	$ 24,780	$ 16,438

The repayment schedule of annual debt service principal and interest for the next five years, and five-year increments thereafter, for loans outstanding is as follows:

Year Ended	Green Trust Loans	
Dec. 31,	Principal	Interest
2026	$ 8,342	$ 83
	$ 8,342	$ 83

NOTE 4. MUNICIPAL DEBT (continued)

New Jersey Infrastructure Bank Loans Payable

The City has outstanding at December 31, 2025 and 2024 Infrastructure Bank Loans.

The following table is a summary of the activity for such debt during the year ended December 31, 2025 and the short-term principal liability for each issue:

2025 Summary of New Jersey Infrastructure Bank Loans Activity

Description	Balance Dec. 31, 2024	Increase	Decrease	Balance Dec. 31, 2025	Due by Dec. 31, 2026
General Capital Fund					
O-20-19: Pedestrian Bridge	$ 2,892,307	$ 311,581	$ 941,777	$ 2,262,111	$ -
Net yet amortized - Loan not Closed					
O-20-49: Improvements to Fitzpatrick					
Park Amended by Ord. O-21-46	1,029,502	-	27,234	1,002,268	27,234
Net Issued for $1,576,986					
Maturing annually from 2025 to 2053					
Bearing interest rates of 3.03% to 5.00%					
O-22-02: Various Roadway Improvements					
Net Issued for $1,036,758					
Maturing annually from 2025 to 2042					
Bearing interest rates of 3.190% to 5.424%	1,520,237	-	72,463	1,447,774	73,534
	5,442,046	311,581	1,041,474	4,712,153	100,768
Water and Sewer Utility Capital Fund					
O-25-16: Lead Service Line Replacement Project					
Net yet amortized - Loan not Closed	-	543,653	-	543,653	-
	$ 5,442,046	$ 855,234	$ 1,041,474	$ 5,255,806	$ 100,768

The following table is a summary of the activity for such debt during the year ended December 31, 2024 and the short-term principal liability for each issue:

2024 Summary of New Jersey Infrastructure Bank Loans Activity

Description	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Due by Dec. 31, 2025
General Capital Fund					
O-20-19: Pedestrian Bridge	$ 4,539,769	$ (1,647,462)	$ -	$ 2,892,307	$ -
Net yet amortized					
O-20-49: Improvements to Fitzpatrick					
Park Amended by Ord. O-21-46	-	1,037,658	8,156	1,029,502	27,234
Net Issued for $1,576,986					
Maturing annually from 2025 to 2053					
Bearing interest rates of 3.03% to 5.00%					
O-22-02: Various Roadway Improvements					
Net Issued for $1,036,758					
Maturing annually from 2025 to 2042					
Bearing interest rates of 3.190% to 5.424%	-	1,576,987	56,750	1,520,237	72,463
	$ 4,539,769	$ 967,183	$ 64,906	$ 5,442,046	$ 99,697

NOTE 4. MUNICIPAL DEBT (continued)

The repayment schedule of annual debt service principal and interest for the next five years, and five-year increments thereafter, for loans outstanding is as follows:

	Infrastructure Bank Loans				
	General Capital Fund				Water and Sewer Utility Capital
Year Ended	Trust Loan		Fund Loan	Loan Not	Loan Not
Dec. 31,	Interest	Principal	Principal	Closed	Closed
2026	$ 55,190	$ 88,534	$ 12,234	$ -	$ -
2027	53,368	89,605	12,234	-	-
2028	51,534	90,689	12,234	-	-
2029	49,680	91,792	12,234	-	-
2030	47,690	93,033	12,234	-	-
2031-2035	207,228	485,133	61,170	-	-
2036-2040	141,818	573,885	61,170	-	-
2041-2045	61,418	336,696	61,170	-	-
2046-2050	29,914	155,394	61,170	-	-
2051-2053	6,356	102,730	36,701	-	-
Not Amortized	-	-	-	2,262,111	543,653
	$ 704,196	$ 2,107,491	$ 342,551	$ 2,262,111	$ 543,653

ASSIGNMENT AGREEMENT PAYABLE

The purchase agreement entered into by the City with the Port Authority of New York and New Jersey for the acquisition of the Military Ocean Terminal at Bayonne Peninsula, and subsequent amendment and restatement of Deed, includes, as detailed by the Assignment Agreement dated August 3, 2016, both a schedule of revenues to the City from the Port Authority and obligations due from the City to a Trustee. Under the agreement, the City receives $5,000,000 annually from 2017 through and including 2033. The City's payment obligation is $5,000,000 annually beginning in 2024 and ending in 2032. The following table is a summary of the activity for such debt during the year ended December 31, 2025 and the short term principal liability for each issue:

2025 Summary of Assignment Agreement Activity

Description	Balance Dec. 31, 2024	Increase	Decrease	Balance Dec. 31, 2025	Due by Dec. 31, 2026
Military Ocean terminal Issued 8/3/2006 for $45,000,000 Maturing annually from 2024 to 2032 Bearing no interest	$ 40,000,000	$ -	$ 5,000,000	$ 35,000,000	$ 5,000,000

NOTE 4. MUNICIPAL DEBT (continued)

The following table is a summary of the activity for such debt during the year ended December 31, 2024 and the short term principal liability for each issue:

2024 Summary of Assignment Agreement Activity

Description	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Due by Dec. 31, 2025
Military Ocean terminal Issued 8/3/2006 for $45,000,000 Maturing annually from 2024 to 2032 Bearing no interest	$ 45,000,000	$ -	$ 5,000,000	$ 40,000,000	$ 5,000,000

The remaining repayment schedule of annual assignment agreement outstanding is as follows.

	Assignment Agreement Payable	City Revenues Remaining
2026	$ 5,000,000	$ 5,000,000
2027	5,000,000	5,000,000
2028	5,000,000	5,000,000
2029	5,000,000	5,000,000
2030	5,000,000	5,000,000
2031	5,000,000	5,000,000
2032	5,000,000	-
	$ 35,000,000	$ 30,000,000

NOTES PAYABLE

Bond Anticipation Notes

The City issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes may be paid no later than the close of the tenth fiscal year next following the date of the original notes. The Division also prescribes that notes cannot be renewed past the third anniversary date of the original note unless an amount equal to at least the first legally required installment is paid prior to each anniversary date. The purposes for which these notes were issued as well as more detailed information of the above-referenced information can be found in the tables below.

During the year ended December 31, 2025, bond anticipation notes increased by a net of $5,445,0000, comprised of an increase for the sale of new notes in the amount $6,000,000 to provide temporary financing for Ordinance No. O-24-54, and a decrease of $555,000 for the statutorily required minimum paydowns of previously issued notes. This activity is further detailed in the paragraphs and schedules that follow.

During the year ended December 31, 2024, bond anticipation notes decreased $360,000 for the statutorily required minimum paydowns of previously issued. This activity is further detailed in the paragraphs and schedules that follow.

NOTE 4. MUNICIPAL DEBT (continued)

Bond Anticipation Note activity for the year ended December 31, 2025 is as follows:

			December 31, 2024					December 31, 2025		
	Original Issue		Interest	Maturity		Notes	Funded		Maturity	Interest
Ordinance	Date	Amount	Rate	Date	Balance	Issued	Paydown	Balance	Date	Rate
Various Capital Improvements:										
O-16-66	10/19/2017	$4,500,000	4.50%	7/11/2025	$ 4,045,000	$ -	$ 91,000	$ 3,954,000	6/24/2026	4.00%
O-17-21	10/19/2017	1,675,000	4.50%	7/11/2025	1,355,000	-	64,000	1,291,000	6/24/2026	4.00%
O-18-51	05/24/2019	3,475,000	4.25%	3/25/2025	2,905,000	-	190,000	2,715,000	3/12/2026	4.00%
O-19-56	04/18/2022	7,380,000	4.25%	3/25/2025	7,380,000	-	195,000	7,185,000	3/12/2026	4.00%
O-22-10	07/05/2023	10,389,000	5.00%	7/11/2025	10,389,000	-	-	10,389,000	6/24/2026	4.00%
O-24-54	03/13/2025	6,000,000	*	*	-	6,000,000	-	6,000,000	3/12/2026	4.00%
Roadway Improvements-LeFante										
O-17-28	10/3/2018	550,000	5.00%	7/11/2025	490,000	-	15,000	475,000	6/24/2026	4.00%
					$26,564,000	$ 6,000,000	$555,000	$32,009,000		

Bond Anticipation Note activity for the year ended December 31, 2024 is as follows:

			December 31, 2023					December 31, 2024		
	Original Issue		Interest	Maturity		Notes	Funded		Maturity	Interest
Ordinance	Date	Amount	Rate	Date	Balance	Issued	Paydown	Balance	Date	Rate
Various Capital Improvements:										
O-16-66	10/19/2017	$4,500,000	5.00%	7/24/2024	$ 4,136,000	$ -	$ 91,000	$ 4,045,000	7/11/2025	4.50%
O-17-21	10/19/2017	1,675,000	5.00%	7/24/2024	1,419,000	-	64,000	1,355,000	7/11/2025	4.50%
O-18-51	05/24/2019	3,475,000	4.25%	4/5/2024	3,095,000	-	190,000	2,905,000	3/25/2025	4.25%
O-19-56	04/18/2022	7,380,000	4.25%	4/5/2024	7,380,000	-	-	7,380,000	3/25/2025	4.25%
O-22-10	07/05/2023	10,389,000	5.00%	7/24/2024	10,389,000	-	-	10,389,000	7/11/2025	4.50%
Roadway Improvements-LeFante										
O-17-28	10/3/2018	550,000	5.00%	7/24/2024	505,000	-	15,000	490,000	7/11/2025	5.00%
					$26,924,000	$ -	$360,000	$26,564,000		

Special Emergency Notes

Statutes allow the City to adopt ordinances authorizing special emergency appropriations for the carrying out of certain specific purposes, including the revaluation of real property and contractually required severance liabilities resulting from the layoff or retirement of employees. Statutes further provide for the borrowing of money and the issuance of special emergency notes to finance such special emergency appropriations, which may be renewed from time to time, but at least 1/5 of all such notes, and the renewals thereof, shall mature and be paid in each year, so that all notes and renewals shall have matured and have been paid not later than the last day of the fifth year following the date of the special emergency resolution. There are certain special emergencies, notably for extraordinary expenses from flood, hurricane, snow, ice, frost, or similar damage to public property that increase the minimum annual funding from 1/5 of the emergency notes to 1/3, requiring all notes and renewals to have been paid not later than the last day of the third year following the date of the emergency resolution.

The City has issued or renewed special emergency notes during the years ended December 31, 2025 and 2024 for the following purposes:

- Contractual Severance Liabilities – The City has passed various special emergency appropriations for the purposes of funding contractually required severance liabilities resulting from the retirement of City employees as allowed by N.J.S.A. 40A:4-53h.

NOTE 4. MUNICIPAL DEBT (continued)

The following is a schedule of special emergency note activity for the year ended December 31, 2025.

					December 31, 2024			December 31, 2025		
	Original Issue		Interest	Maturity		Notes	Paid		Maturity	Interest
Ordinance	Date	Amount	Rate	Date	Balance	Issued	Down	Balance	Date	Rate
Contractual Severance Liabilities										
O-24-53	11/26/2024	$4,000,000	4.75%	07/11/2025	$ -	$ 4,000,000	$ 800,000	$ 3,200,000	06/24/2026	5.250%
O-25-63	10/15/2025	$3,000,000	*	*	-	3,000,000	-	3,000,000	06/24/2026	4.145%
					$ -	$ 7,000,000	$ 800,000	$ 6,200,000		

The following is a schedule of special emergency note activity for the year ended December 31, 2024.

					December 31, 2023			December 31, 2024		
	Original Issue		Interest	Maturity		Notes	Paid		Maturity	Interest
Ordinance	Date	Amount	Rate	Date	Balance	Issued	Down	Balance	Date	Rate
Contractual Severance Liabilities										
O-24-53	11/26/2024	$4,000,000	*	*	$ -	$ 4,000,000	$ -	$ 4,000,000	07/11/2025	4.75%
Revaluation										
O-19-01	10/18/2019	$ 747,890	5.00%	7/24/2024	148,000	-	148,000	-	*	*
					$ 148,000	$ 4,000,000	$ 148,000	$ 4,000,000		

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2025 and 2024, the City has authorized but not issued bonds and notes of $44,973,908 and $49,709,708, respectively, in the General Capital Fund. The following activity relates to bonds and notes authorized but not issued that occurred during the year ended December 31, 2025:

	Balance Dec. 31, 2024	Increased	Decreased	Balance Dec. 31, 2025
General Improvements	$ 49,709,708	$ 3,895,200	$ 8,631,000	$ 44,973,908
Water and Sewer Utility Improvements	-	13,000,000	13,000,000	-
	$ 49,709,708	$ 16,895,200	$ 21,631,000	$ 44,973,908

The following activity relates to bonds and notes authorized but not issued that occurred during the year ended December 31, 2024:

	Balance Dec. 31, 2023	Increased	Decreased	Balance Dec. 31, 2024
General Improvements	$ 22,380,406	$ 28,416,500	$ 1,087,198	$ 49,709,708

NOTE 4. MUNICIPAL DEBT (continued)

DEBT CAPACITY

At December 31, 2025, the City's net debt totaled $197,319,652, representing approximately 1.843% of three year equalized valuation and excess borrowing power of $177,349,046.

At December 31, 2024, the City's net debt totaled $205,791,534, representing approximately 2.053% of equalized valuation and excess borrowing power of $145,105,413.

Summary of Statutory Debt Condition – Annual Debt Statement at December 31, 2025

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

	Gross Debt	Deductions	Net Debt
School Purposes	$ 19,941,000	$ 19,941,000	$ -
Self-Liquidating Purposes	850,000	850,000	-
General Bonds and Notes	217,581,534	11,790,000	205,791,534
	$ 238,372,534	$ 32,581,000	$ 205,791,534

3 Year Equalized Valuation	10,025,627,064
Net Debt expressed as a percentage of such equalized valuation basis is:	2.053%
BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED	
3 1/2% of Equalized Valuation Basis	$ 350,896,947
Less: Net Debt	205,791,534
Excess Borrowing Power	$ 145,105,413

Summary of Statutory Debt Condition – Annual Debt Statement at December 31, 2024

	Gross Debt	Deductions	Net Debt
School Purposes	$ 15,071,000	$ 15,071,000	$ -
Self-Liquidating Purposes	13,575,000	13,575,000	-
General Bonds and Notes	209,969,599	12,649,947	197,319,652
	$ 238,615,599	$ 41,295,947	$ 197,319,652

3 Year Equalized Valuation	10,704,819,939
Net Debt expressed as a percentage of such equalized valuation basis is:	1.843%
BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED	
3 1/2% of Equalized Valuation Basis	$ 374,668,698
Less: Net Debt	197,319,652
Excess Borrowing Power	$ 177,349,046

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

NOTE 5. FUND BALANCES APPROPRIATED

Fund balance of the City consists of cash surplus and non-cash surplus. The City can anticipate fund balance to support its budget of the succeeding year, however, the use of non-cash surplus is subject to the prior written consent of the Division. Fund balances at December 31, 2025 and 2024 which were appropriated and included as anticipated revenue in the Current Fund and Parking Utility Operating Fund budgets of the succeeding year were as follows:

	Fund Balance Dec. 31, 2025	Utilized in 2026 Budget	Fund Balance Dec. 31, 2024	Utilized in 2025 Budget
Current Fund:				
Cash Surplus	$ 15,305,303	$ 12,375,000	$ 9,582,798	$ 6,750,000
Non-Cash Surplus	1,176,034	-	1,182,992	1,182,992
	$ 16,481,337	$ 12,375,000	$ 10,765,790	$ 7,932,992
Capital Fund	$ 1,126,412	$ -	$ 954,386	$ -
Parking Utility Fund:				
Operating	1,370,635	375,000	1,292,090	200,000
Capital	100,007	-	100,007	-
Water and Sewer Utility Fund:				
Capital	1,391	-	-	-

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION

Substantially all City employees participate in the Consolidated Police and Fireman's Pension Fund (CPFPF), Public Employees Retirement System (PERS), Police and Fireman's Retirement System of New Jersey (PFRS) or the Defined Contribution Retirement Program (DCRP), all of which are multiple employer plans sponsored and administered by the State of New Jersey, with the exception of the CPFPF, which is a single employer plan. The CPFPF, PERS and PFRS are cost sharing contributory defined benefit public employee retirement systems. The DCRP is a defined contribution plan. In addition, certain employees participate in the City's Deferred Compensation Plan.

STATE-MANAGED PENSION PLANS - PERS

The PERS was established in January, 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and post-retirement medical benefits to certain qualifying Plan members and beneficiaries. Membership is mandatory to substantially all full time employees and vesting occurs after 8 to 10 years of service for pension benefits. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2007, 2008, 2010 and 2011. These changes resulted in various "tiers" which distinguish period of eligibility for enrollment. The delineation of these tiers is noted below:

- Tier 1: Employees enrolled before July 1, 2007.
- Tier 2: Employees eligible for enrollment after June 30, 2007 but before November 2, 2008.
- Tier 3: Employees eligible for enrollment after November 1, 2008 but before May 22, 2010.
- Tier 4: Employees eligible for enrollment after May 21, 2010 but before June 28, 2011.
- Tier 5: Employees eligible for enrollment after June 27, 2011.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Tier 1 and 2 employees must earn a base salary of $1,500 or more to enroll in the plan. Pensionable salaries are limited to the IRS maximum salary compensation limits for Tier 1 employees and social security maximum wage for Tier 2 employees. Tier 2 employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 3 employees must earn a base salary that is annually adjusted. For the fiscal year ended December 31, 2025 and 2024 this base salary amount was $9,600 and $9,300, respectively. Employees earning between $5,000 and the Tier 3 minimum base salary are eligible for participation in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 4 and 5 employees do not have a minimum salary requirement to enroll, but must work a minimum of 32 hours per week. Employees not meeting the minimum hour requirement but that make over $5,000 are eligible to enroll in DRCP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.

Plan Benefits - Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 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 a 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 at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier. Each of the 5 Tiers have eligibility requirements and benefit calculations which vary for deferred retirements, early retirements, veteran retirements, ordinary disability retirements and accidental disability retirements. There is no minimum service requirement to receive these pension benefits. State-paid insurance coverage may be obtained after 25 years of service for employees in Tiers 1 through 4 and 30 years of service for Tier 5 employees.

Contributions and Liability - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits. Contributions made by the City and its employees for the previous three years are as follows:

	City Contribution			Employee Contributions	
Year Ended December 31,	Amount Paid or Charged	As a Percentage of Base Wages	Base Wages Subject to Contributions	As a Percentage of Base Wages	Amount Contributed
2025	$ 2,690,844	13.55%	$ 19,851,573	7.50%	$ 1,488,871
2024	2,840,941	15.25%	18,634,079	7.50%	1,397,746
2023	2,538,220	14.09%	18,008,622	7.50%	1,350,649

At June 30, 2025 and 2024, the City's net pension liability for PERS, including the City's proportionate share, was as follows:

Year Ended	Proportionate Share		Net Pension
June 30,	Rate	Change	Liability
2025	0.22103%	-0.01131%	$ 27,183,346
2024	0.23234%	-0.00598%	31,569,907

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability of the as of June 30, 2025 and 2024, calculated using the discount rate as disclosed in the table and paragraphs that follow as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	2025		2024	
At:	Rate	Amount	Rate	Amount
1% Decrease	6.00%	$ 37,212,384	6.00%	$ 41,948,645
Current Discount Rate	7.00%	27,183,346	7.00%	31,569,907
1% Increase	8.00%	18,635,944	8.00%	22,737,658

Actuarial Assumptions - The total pension liability for the June 30, 2025 and June 30, 2024 measurement dates were determined by actuarial valuations as of July 1, 2024 and 2023, respectively, which were rolled forward to June 30, 2025 and 2024, respectively. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

Measurement	Inflation Rate		Salary Increases	Investment Rate of
Date	Price	Wage	Based on Years of Service	Return
June 30, 2025	2.75%	3.25%	3.25-7.75%	7.00%
June 30, 2024	2.75%	3.25%	2.75-6.55%	7.00%

Mortality – For the June 30, 2025 Measurement Date, preretirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024.

For the June 30, 2024 Measurement Date, preretirement 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 a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2023 valuation was based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025 and 2024. 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 non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025 and June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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.

	June 30, 2025		June 30, 2024	
Asset Class	Target Allocation	Long-Term Expected Rate of Return	Target Allocation	Long-Term Expected Rate of Return
U.S. Equity	28.00%	8.55%	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.77%	12.75%	8.85%
International Small Cap Equity	1.25%	8.77%	1.25%	8.85%
Emerging Markets Equity	5.50%	10.30%	5.50%	10.66%
Private Equity	13.00%	12.00%	13.00%	12.40%
Real Estate	8.00%	10.78%	8.00%	10.95%
Real Assets	3.00%	7.90%	3.00%	8.20%
High Yield	4.50%	6.63%	4.50%	6.74%
Private Credit	8.00%	9.00%	8.00%	8.90%
Investment Grade Credit	7.00%	5.47%	7.00%	5.37%
Cash Equivalents	2.00%	3.61%	2.00%	3.57%
U.S. Treasuries	4.00%	3.61%	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.26%	3.00%	7.10%

Deferred Outflows and Inflows of Resources - The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources for the years ended June 30, 2025 and 2024:

	June 30, 2025			June 30, 2024		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	$ 4,292	$ 313,176	$ (308,884)	$ 39,220	$ 359,193	$ (319,973)
Difference Between Expected and Actual Experience	775,048	29,049	745,999	632,403	84,048	548,355
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,266,732	(2,266,732)	-	1,463,810	(1,463,810)
Changes in Proportion	203,545	2,012,624	(1,809,079)	483,068	988,994	(505,926)
	$ 982,885	$ 4,621,581	$ (3,638,696)	$ 1,154,691	$ 2,896,045	$ (1,741,354)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

As at June 30, 2025		As at June 30, 2024	
Year Ended June 30,		Year Ended June 30,	
2026	$ 1,001,281	2025	$ (1,213,624)
2027	(2,089,898)	2026	939,066
2028	(1,612,691)	2027	(540,265)
2029	(944,010)	2028	(311,890)
2030	6,622	2029	8,117
	$ (3,638,696)		$ (1,741,354)

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

STATE-MANAGED PENSION PLANS – PFRS

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

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

There is no minimum salary requirement to enroll, regardless of tier. Pensionable salaries are limited to the social security maximum wage for Tier 2 and 3 employees and federal pensionable maximum for Tier 1 employees. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.

Plan Benefits - 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% (tiers 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.

Contributions and Liability - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits.

Contributions made by the City and its employees for the previous three years are as follows:

	City Contribution			Employee Contributions	
Year Ended December 31,	Amount Paid or Charged	As a Percentage of Base Wages	Base Wages Subject to Contributions	As a Percentage of Base Wages	Amount Contributed
2025	$ 15,850,343	37.41%	$ 42,368,735	10.00%	$ 4,236,874
2024	15,551,839	35.24%	44,125,698	10.00%	4,412,570
2023	13,139,221	30.79%	42,680,275	10.00%	4,268,028

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State 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.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

The amounts contributed on behalf of the City under this legislation are considered to be a special funding situation. As such, the State is treated as a non-employer contributing entity. Since the City does not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability to report in the financial statements of the City related to this legislation. However, the notes to the financial statements of the City must disclose the portion of the State's total proportionate share of the collective net pension liability that is associated with the City. At June 30, 2025 and 2024, the City's net pension liability for PFRS, including the special funding situation described above and changes in the City's proportionate share, was as follows:

	City (employer)			State of N.J. (nonemployer)	
Year Ended	Proportionate Share		Net Pension	On-Behalf	
June 30,	Rate	Change	Liability	of City	Total
2025	1.16019%	0.05922%	$ 116,355,732	$ 23,619,902	$ 139,975,634
2024	1.10097%	-0.02099%	113,692,248	22,414,184	136,106,432

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability of the as of June 30, 2025 and 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	2025		2024	
At:	Rate	Amount	Rate	Amount
1% Decrease	6.00%	$ 169,267,983	6.00%	$ 162,440,927
Current Discount Rate	7.00%	116,355,732	7.00%	113,692,248
1% Increase	8.00%	72,210,244	8.00%	73,095,280

Actuarial Assumptions - The total pension liability for the June 30, 2025 and June 30, 2024 measurement dates were determined by actuarial valuations as of July 1, 2024 and 2023, respectively, which were rolled forward to June 30, 2025 and 2024, respectively. These actuarial valuations used the following actuarial assumptions:

Measurement	Inflation Rate		Salary Increases	Investment Rate of
Date	Price	Wage	Based on Years of Service	Return
June 30, 2025	2.50%	3.00%	4.00-17.50%	7.00%
June 30, 2024	2.75%	3.25%	3.25-16.25%	7.00%

Mortality – For the June 30, 2025 Measurement Date, employee mortality rates were based on the Pub-2016 Safety employee mortality tables projected generally from 2016 with Scale MP-2021. 5% of deaths are assumed to be accidental. Healthy annuitants, mortality rates were 100% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for males and 98% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for females, projected generationally from 2016 with Scale MP-2021 mortality projection. For contingent annuitants, mortality rates were 100% of the Pub-2016 Contingent Survivor Below Median amount-weighted mortality tables for males and 102% Pub-2016 Contingent Survivor Below Median amount-weighted tables for females, projected generationally from 2016 with Scale MP-2021. Disability mortality rates were 134% of the Pub-2016 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2016 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2016 with Scale MP-2021 mortality projection.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

For the June 30, 2024 Measurement Date, employee mortality rates were based on the PubS-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projections. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2024 valuation was based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024. The actuarial assumptions used in the July 1, 2023 valuation was based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025 and June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 rates of return for each major asset class included in PFRS target asset allocations as of June 30, 2025 and 2024 are summarized in the following table:

	June 30, 2025		June 30, 2024	
Asset Class	Target Allocation	Long-Term Expected Rate of Return	Target Allocation	Long-Term Expected Rate of Return
U.S. Large-Cap Equity	24.00%	6.90%	24%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%	4%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%	9.50%	6.70%
Non-U.S. Developed Small-Cap Equity	2.00%	7.50%	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%	6.00%	6.50%
Cash Equivalents	2.00%	3.40%	2.00%	3.40%
Real Estate Core	3.00%	5.10%	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%	4.00%	6.50%
Infrastructure	3.00%	7.00%	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%	8.00%	9.10%
Private Equity	10.00%	10.10%	10.00%	10.10%

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025 and 2024. 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 non-employer contributing entity will be based on 100% of the actuarially determined contributions for employers in the State Group and 100% of actuarially determined contributions for the employers in the Local Group. Based on these 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.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Deferred Outflows and Inflows of Resources - The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the years ended June 30, 2025 and 2024:

	June 30, 2025			June 30, 2024		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	$ 5,820,085	$ 1,470,964	$ 4,349,121	$ 179,726	$ 3,338,954	$ (3,159,228)
Difference Between Expected and Actual Experience	9,532,628	2,211,439	7,321,189	7,162,523	3,892,187	3,270,336
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	5,699,976	(5,699,976)	-	889,849	(889,849)
Changes in Proportion	10,186,451	5,464,198	4,722,253	7,535,746	9,165,534	(1,629,788)
	$ 25,539,164	$ 14,846,577	$ 10,692,587	$ 14,877,995	$ 17,286,524	$ (2,408,529)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

As at June 30, 2025		As at June 30, 2024	
Year Ended June 30,		Year Ended June 30,	
2026	$ 11,648,916	2025	$ 2,341,116
2027	(3,332,325)	2026	(2,697,514)
2028	(1,722,387)	2027	677,044
2029	915,091	2028	314,402
2030	3,183,291	2029	(279,696)
		Thereafter	(24,295)
	$ 10,692,587		$ (2,408,529)

STATE-MANAGED PENSION PLANS - GENERAL

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

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

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

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

PERS and PFRS Fiduciary Net Position

The State of New Jersey issues publicly available financial reports that include the financial statements, required supplementary information and detailed information about the fiduciary net position of the PERS and PFRS. These financial statements were prepared in accordance with accounting principles generally accepted in the United States. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or accessed at www.state.nj.us/treasury/pensions.

STATE-MANAGED PENSION PLANS – DEFERRAL

Legislation, known as Chapter 19 of the Public Laws of 2009 (P.L. 2009, c. 19), was enacted and effective on March 17, 2009 allowing for an adjustment in the contributions that local employers, such as the City, must make to the PERS and PFRS during the year ended June 30, 2009. Under this legislation, local governments were given the option to defer exactly 50% of their required pension contribution as certified by the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits or pay the full amount of the required contribution for the year ended June 30, 2009. The City elected the 50% deferral in the amount of $4,568,624. Under the terms of the pension deferral the City is obligated to commence repayment of the entire deferral in 15 amortized annual installments, commencing with the year ended December 31, 2012. These payments will be added to the regular pension bills. The short term liability of the deferral, including interest, payable on April 1, 2026, is $710,730, consisting of $620,249 on the PFRS deferral and $90,481 on the PERS deferral.

DEFINED CONTRIBUTION RETIREMENT PROGRAM

The Defined Contribution Retirement Program (DCRP) provides eligible members with a tax-sheltered, defined contribution retirement benefit along with life insurance and disability coverage. Individuals eligible for membership in the DCRP include (a) state or local officials elected or appointed or elected to new office on or after July 1, 2007, (b) employees enrolled in PERS on or after July 1, 2007 or PFRS after May 21, 2010 who earn salary in excess of established maximum compensation limits and (c) employees otherwise eligible for PERS on or after November 2, 2008 or PFRS after May 21, 2010 that earn below the minimum PERS or PFRS salary but more than $5,000 annually. Participation in DCRP can be irrevocably waived if an official earns less than $5,000.

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

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

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

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

Year Ended	Employee Contributions		City Contribution	
	Amount	Rate	Amount	Rate
Dec. 31, 2025	$ 120,287	5.5%	$ 65,611	3.0%
Dec. 31, 2024	102,258	5.5%	55,777	3.0%
Dec. 31, 2023	99,479	5.5%	54,261	3.0%

DEFERRED COMPENSATION PLAN (unaudited)

The City has established a deferred compensation program (the "plan") for its employees under Section 457 of the Internal Revenue Code. The plan is comprised of several separate plans, all of which are Public Employees' Deferred Compensation Plans, covering employees and elected officials who perform services for the City. One plan is underwritten by The Hartford Financial Services Group, Inc. (now called Mass Mutual), the others by Variable Annuity Life Insurance Company ("VALIC"), AXA Equitable, ING (now called VOYA) and the Metropolitan Life Insurance Company.

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

NOTE 7. POST-EMPLOYMENT BENEFITS

POST-EMPLOYMENT BENEFITS PLAN

Plan Description – The City contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1964, the City authorized participation in the SHBP's post-retirement benefit program. The City currently provides lifetime medical benefits to City employees who retire from the City under the following conditions: (a) after twenty five years of service with the City, or (b) upon a disability retirement. Coverage is also provided for eligible family members of the employee and paid by the City for the life of the retiree.

Retirees receiving these benefits have deducted from their monthly pension payments the cost of their health benefits. The City reimburses employees for the cost of their post-employment benefit plans in amounts dependent n the contract on which the employee retires. Due to this arrangement, valuation reports prepared by the State of New Jersey to allocate each participating local government's share of the post-employment benefit liability do not include a liability for the City of Bayonne. However, former employees of the dissolved Bayonne Municipal Utilities Authority (BMUA) do not have retiree health benefit premiums deducted from their pensions. Because of the dissolution, the City has assumed all BMUA liabilities.

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

The City's share of the OPEB liability noted in the paragraphs that follow represent the liability arising from the former BMUA employees.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions.

Funding Policy – Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the City on a monthly basis.

Chapter 2, P.L. 2010, effective May 21, 2010, requires a minimum contribution of 1.5% of base salary toward the cost of health benefits coverage by all active public employees. Employees who become a member on or after the law's effective date would be required to pay in retirement 1.5% of their pension benefit toward the cost of health care coverage under the SHBP. Chapter 78, P.L. 2011, effective June 28, 2011, established new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage, but not less than as required by Chapter 2. Under Chapter 78, certain future retirees eligible for employee-paid health care coverage at retirement will also be required to pay a percentage of the cost of their medical coverage determined on the basis of their annual retirement benefit. Chapter 78 has sunset and contributions are subject to collectively bargained agreement. Chapter 2 remains in effect.

Under GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions,* ("GASB 75"), the City would recognize the cost of other postemployment benefits (OPEB) in the year when the employee services are received and report the accumulated liability for OPEB on the face of its financial statements. Under the regulatory basis of accounting prescribed by the Division, the City is not required to recognize the cost of OPEB in the year when the employee services were received, or report the accumulated liability on the face of its financial statements. However, disclosure of such amounts is required.

Retiree Contributions – Future retirees who do not fall under the grandfathering provisions of Chapter 78 of the 2011 Pension and Health Benefit Reforms will be required to contribute to the costs of their retiree health care. Participant contributions are based on salary level and pension benefit amounts and are phased in as a percentage based on salary or pension earnings. Grandfathered participants include those with greater than 20 years of service as of June 28, 2011 who retire with 25 years of service with the City, or who reached age 62 as of that date with 15 years of service will receive benefits at no cost to the participant.

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Obligation – The components of the net OPEB liability of the City at June 30, 2024 and 2023 are as follows:

	2024	2023
City's Share of:		
Total OPEB Liability	$ 1,307,411	$ 1,142,556
OPEB Plan fiduciary net position	(11,683)	(9,046)
Net OPEB liability	$ 1,319,094	$ 1,151,602
Plan fiduciary net position as a percentage of total OPEB liability	-0.89%	-0.79%

Actuarial Assumptions – The total OPEB liability for the June 30, 2024 and June 30, 2023 measurement dates were determined by actuarial valuations as of July 1, 2023 and 2022, respectively, which were rolled forward to June 30, 2024 and 2023, respectively. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

		2024	2023
Inflation Rate		not noted	not noted
Salary increases:		*based on years of service*	*based on years of service*
PERS	All Future Years	2.75% to 6.55%	2.75% to 6.55%
PFRS	All Future Years	3.25% to 16.25%	3.25% to 16.25%

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021. Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

PERS mortality rates were based on the Pub-2010 General classification Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2021 scale for June 30, 2023 and 2022. PFRS mortality rates were based on the Pub-2010 Safety classification Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2021 scale for June 30, 2023 and 2022.

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

Discount Rate - The discount rate for June 30, 2024 and June 30, 2023 was 3.93% and 3.65%, respectively. 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.

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the City's share of the SHBP net OPEB liability as of June 30, 2024 and 2023, calculated using the discount rate as disclosed above as well as what the net OPEB liability would be if it was calculated using discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	2024		2023	
At:	Rate	Amount	Rate	Amount
1% Decrease	2.93%	$ 1,536,602	2.65%	$ 1,333,922
Current Discount Rate	3.93%	1,319,094	3.65%	1,151,602
1% Increase	4.93%	1,144,889	4.65%	1,004,954

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the City's net OPEB liability as of June 30, 2024 and 2023, calculated using the Healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At:	2024	2023
1% Decrease	$ 1,115,684	$ 978,726
Current Discount Rate	1,319,094	1,151,602
1% Increase	1,580,622	1,372,936

Deferred Outflows and Deferred Inflows of Resources - The OPEB expense and deferred outflows and deferred inflows of resources at June 30, 2024 and 2023 were as follows:

	June 30, 2024			June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	$ 220,528	$ 218,961	$ 1,567	$ 149,176	$ 325,521	$ (176,345)
Difference Between Expected and Actual Experience	66,803	223,500	(156,697)	53,106	312,737	(259,631)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	597	(597)	-	190	(190)
Changes in Proportion	212,932	132,549	80,383	255,751	226,030	29,721
	$ 500,263	$ 575,607	$ (75,344)	$ 458,033	$ 864,478	$ (406,445)

The amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,		Year Ended June 30,	
2025	$ (216,114)	2024	$ (121,746)
2026	(93,043)	2025	(99,717)
2027	(15,989)	2026	(53,945)
2028	(85,243)	2027	(25,288)
2029	(54,308)	2028	(51,044)
Thereafter	58,252	Thereafter	(54,704)
	$ (75,344)		$ (406,445)

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

OPEB Expense - The components of allocable OPEB expense, which exclude OPEB expense related to specific liabilities of individual employers, for the years ending June 30, 2024 and 2023 are as follows:

	2024	2023
Proportionate Share of Allocable Plan OPEB Expense (Benefit)	$ (15,373)	$ (37,134)
Net Amortizations of Deferred Amounts from Changes in Proportion	(114,181)	(106,130)
OPEB Expense (Benefit)	$ (129,554)	$ (143,264)

Special Funding Situation - In regards to the City's enrollment in the SHBP, under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line od duty under Chapter 271, P.L.1989.

Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Since the City does not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. The State's share of the net OPEB liability associated with the City at June 30, 2024 and 2023 is $85,176,456 and $63,621,765, respectively which represents 359 plan members, each year, constituting 1.746620% and 1.823447%, respectively, of the State's total proportionate share of net OPEB liability.

NOTE 8. COMPENSATED ABSENCES

Employees covered by the supervisors' and AFSCME collectively bargained agreements may receive payment for unused sick leave upon retirement if they have at least 100 unused sick leave days and meet the applicable retirement eligibility requirements. Under the supervisors' agreement, an employee qualifies by retiring with at least 20 years of City service, if permitted by State law (otherwise 25 years), or by retiring as permitted at age 60. Under the AFSCME agreement, an employee qualifies by retiring with at least 25 years of City service or by retiring as permitted at age 62.

Eligible supervisors receive one day's pay at the rate in effect upon retirement for every two unused sick leave days, subject to a $15,000 limit that the agreement increases to $20,000 if permitted by State law. Eligible AFSCME employees receive one day's pay at the rate in effect upon retirement for every three unused sick leave days, up to $15,000. Payments are subject to applicable statutory limits.

Upon termination or retirement, employees may receive a cash payment for the full value of their accumulated vacation time.

As of December 31, 2025 and 2024, the total accumulated absence liability was $10,399,800 and $14,733,892, respectively. As of December 31, 2025 and 2024, the City had on reserve $1,265,702, each year. The City budgets compensated absence appropriations annually in the applicable department line items.

NOTE 9. RISK MANAGEMENT

Insurance Coverage

The City is exposed to risks of loss arising from property damage, liability, employee injuries and other insured events. The City obtains property and casualty coverage through its membership in the New Jersey Intergovernmental Insurance Fund (NJIIF), a public entity risk pool. Its current membership term extends through December 31, 2027. Under the membership agreement, the City pays contributions and retains responsibility for applicable deductibles and any other obligations specified in the agreement.

Disaster Recovery - The City does not have a formal disaster recovery plan in place, however, all financial data is backed up to hard disks daily.

NOTE 10. STATE AID RECEIVABLE – QUALIFIED BONDS

From July 1, 2011 through December 31, 2011, the City operated under a six-month transition fiscal period in connection with its reversion from a June 30 fiscal year-end to a calendar year-end beginning January 1, 2012.

Since the transition period, debt service payments on the City's Qualified Bonds have been made by the State of New Jersey on the City's behalf and incorporated into the City's State Aid allocation based on the State's fiscal year. Because the State's fiscal year differs from the City's calendar fiscal year, a portion of the Qualified Bond debt service payments made by the State subsequent to the City's year-end relates to future periods.

Accordingly, the City reports as prepaid debt service the amount of Qualified Bond principal and interest payments made by the State on the City's behalf that relate to the six-month period following the City's year-end. The prepaid debt service balance is recognized as an asset and will be applied against future debt service obligations as the related periods occur.

The following schedule summarizes State Aid received, Qualified Bond debt service payments made by the State on behalf of the City, and the resulting prepaid debt service balances as of December 31, 2025 and 2024:

	Dec. 31, 2025	Dec. 31, 2024
Increased by:		
State Aid (1)	$ 8,935,091	$ 8,935,091
Decreased by:		
Received in Cash	3,421,398	5,761,294
Qualified Bond Payments	5,521,105	3,123,650
	8,942,503	8,884,944
Net Change	(7,412)	50,147
Beginning Balance	1,182,992	1,132,845
Ending Balance	$ 1,175,580	$ 1,182,992

NOTE 11. CLEARING ACCOUNT

The City maintains a claims account, or a cash clearing bank account, from which bills are paid for various funds.

NOTE 12. FIXED ASSETS

In accordance with accounting practices prescribed by the Division, and as further detailed in Note 1, no depreciation has been provided for and fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

During the year ended December 31, 2025, the City provided a fixed asset inventory that required an adjustment of $96,729,563 to the prior year land inventory.

The City had the following investment balances in general fixed assets as of and for the year ended December 31, 2025.

	Balance, Dec. 31, 2024	Additions	Deletions	Balance, Dec. 31, 2025
Land	$ 32,233,607	$ 96,729,563	$ -	$ 128,963,170
Buildings & Improvements	107,292,926	43,715	-	107,336,641
Vehicles and Equipment	22,007,853	4,455,762	397,233	26,066,382
	$ 161,534,386	$ 101,229,040	$ 397,233	$ 262,366,193

The City had the following investment balances in general fixed assets as of and for the year ended December 31, 2024.

	Balance, Dec. 31, 2023	Additions	Deletions	Balance, Dec. 31, 2024
Land	$ 32,233,607	$ -	$ -	$ 32,233,607
Buildings & Improvements	107,292,926	-	-	107,292,926
Vehicles and Equipment	21,751,052	858,851	602,050	22,007,853
	$ 161,277,585	$ 858,851	$ 602,050	$ 161,534,386

NOTE 13. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The appropriations in the 2026 and 2025 budgets are not less than that required by statute. At December 31, 2025, the following deferred charges are shown on the balance sheets of the various funds.

	Balance, Dec. 31, 2024	Additions	Deductions	Balance, Dec. 31, 2025	2026 Budget Appropriations	Balance to Succeeding Budgets
Special Emergency Authorizations						
Contractually Required						
Severance Liabilities (40A:4-53.h)						
Ord. O-24-53 - October 16, 2024	$ 4,000,000	$ -	$ 800,000	$ 3,200,000	$ 800,000	$ 2,400,000
Ord. O-25-63 - October 15, 2025	-	3,000,000	-	3,000,000	600,000	2,400,000
Overexpenditures						
Other Trust Fund Reserves	-	438,269	-	438,269	438,269	-
	$ 4,000,000	$ 3,438,269	$ 800,000	$ 6,638,269	$ 1,838,269	$ 4,800,000

NOTE 13. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS (continued)

At December 31, 2024, the following deferred charges are shown on the balance sheets of the various funds.

	Balance, Dec. 31, 2023	Additions	Deductions	Balance, Dec. 31, 2024	2025 Budget Appropriations	Balance to Succeeding Budgets
Special Emergency Authorizations Revaluation (40A:4-53.b)	$ 148,000	$ -	$ 148,000	$ -	$ -	$ -
Contractually Required Severance Liabilities (40A:4-53.h)	-	4,000,000	-	4,000,000	800,000	3,200,000
	$ 148,000	$ 4,000,000	$ 148,000	$ 4,000,000	$ 800,000	$ 3,200,000

Further descriptions of the above deferred charges follow.

Special Emergency Authorizations

Statutes, specifically N.J.S.A 40A:4-53, allow the City to adopt ordinances authorizing appropriations for the carrying out of certain purposes. Special Emergencies adopted according to the statutes are required to be funded over a period not exceeding five years, with the minimum annual payment being one-fifth of the authorized amount. Some of the purposes allowed under the statutes, and which the City has adopted and has funded during the years ended December 31, 2025 and 2024, which remain to be funded, are as follows:

- Contractual Severance Liabilities - A significant number of employees either retired or otherwise had their employment with the City terminated. The City passed special emergency appropriations allowed under N.J.S.A 40A:-43(h) to provide for payment of the resulting severance liabilities. Special emergency appropriations which remain on the books of the City as deferred charges at December 31, 2025 and 2024 include emergencies passed in the years 2025 and 2024 in the amounts of $3,000,000 and $4,000,000 respectively. The current balance to be raised is noted in the preceding tables. The special emergency appropriations were financed with special emergency notes, discussed further in Note 4.

Overexpenditures

State laws limit expenditures to the amounts appropriated by budget appropriation, improvement authorization or, in the case of Trust Funds, amounts collected for such purposes pursuant to a Dedication by Rider. Expenditures which exceed legally appropriated amounts are required by statutes to be raised in full in the budget of the succeeding year. Overexpenditures which the City has incurred during the years ended December 31, 2025 and 2024, or which remain to be funded, are as follows:

- Overexpenditure of Trust Fund Reserve – During the year ended December 31, 2025, the City overexpended a total $438,269 Other Trust Fund reserves, comprised of $437,943 of Off-Duty Police reserves and $326 of buildings fines reserves. This amount is to be funded in full in the City's 2026 Current Fund budget.

NOTE 14. RELATED PARTY TRANSACTIONS

Bayonne Board of Education

The City has an agreement with the Bayonne Board of Education in which the City receives reimbursement for garbage contracts and certain debt service.

During the years ended December 31, 2025 and 2024, the City received $325,832 and $392,001, respectively for the garbage removal shared service agreement.

Also, As described in Note 4, prior to January 2015 the Bayonne Board of Education was a Type I School District, therefore, bonds and notes authorized by the Board of Education are general obligations of the City and are reported on the balance sheet of the City's General Capital Fund and are accordingly included in the summary of municipal debt. The City budgets the principal and interest payments of the Board of Education's obligations as they become due. These obligations are funded by the City through an amount to be raised by taxation called "addition to local district school tax", less any regular school debt service aid received from the State of New Jersey.

For the year ended December 31, 2025 and 2024, the City's budget included the following debt service requirements of the Board of Education:

	Year Ended	
	Dec. 31, 2025	Dec. 31, 2024
Debt Service Requirements of the Board of Education:		
Payment of Bond Principal	$ 4,870,000	$ 4,690,000
Interest on Bonds	458,933	641,950
Balance for Support of Board of Education:		
Addition to Local District School Tax	$ 5,328,933	$ 5,331,950

NOTE 15. INTERFUND TRANSACTIONS

The City has various transactions by and between its individual funds. Certain accounts of the Trust, General Capital and Utility Capital Funds earn interest which is required to be recorded as revenue in the Current Fund or Utility Operating Fund. Other transactions include advances to other funds, payments to clearing accounts, budget appropriations and anticipated revenues which are required to be turned over by and between various funds. All these transfers are routine and are consistent with the activities of the funds making the transfers. As of December 31, 2025, and 2024, the City had the following interfund balances:

2025	2024	Funds Due Between	2025 Purpose
$ -	$ 545,095	Current Fund - General Capital Fund	*
-	1,231	Current Fund - Other Trust Fund	*
504,790	8,976,423	Current Fund - Grant Fund	Grant Costs, Receipts and Matching
-	635	Current Fund - Payroll Clearing	*
545,500	-	General Capital - Water and Sewer Utility Capital	Cash Advances
-	335,528	Grant Fund - Other Trust	*
1,391	-	Water and Sewer Operating - Water and Sewer Capital	Interest
-	18	Utility Operating - Utility Capital	Interest
-	5,000	Utility Operating - Unemployment Trust	*
-	1,661	Other Trust - Animal Control	*
-	35,280	Other Trust - Current Fund	*
2,570	-	Other Trust - Redevelopment Trust	Reallocation of Receipts
-	2,628	Other Trust - Payroll Clearing	*

NOTE 15. INTERFUND TRANSACTIONS (continued)

Current Fund and Utility Operating Fund interfunds receivable are fully reserved and recognized as credits to operations in the year the interfunds are received in cash. Interfunds receivable in the Trust Funds, General Capital Fund and Parking Utility Capital Fund are not reserved. The City expects all balances to be repaid by year-end with the exception of the interfund between the Current Fund and Federal and State Grants Fund.

Transfers by and between the City's funds during the years ended December 31, 2025 and 2024 consisted of the following:

	December 31, 2025		December 31, 2024	
	Transfers In	Transfers Out	Transfers In	Transfers Out
Current Fund	$ 18,993,443	$ 9,943,301	$ 117,536,260	$ 119,944,879
Federal & State Grants Fund	11,464,903	20,272,064	12,701,840	10,908,574
General Capital Fund	13,940,000	15,030,595	11,706,395	10,799,505
Payroll Clearing Fund	90,537,596	90,534,333	93,949,986	93,953,249
Animal Control Fund	12,306	10,645	28,387	39,434
Trust Fund - Other Funds	421,839	86,799	7,954,232	8,266,739
Trust Fund - Tax Lien	2,628,865	2,628,865	104,172	104,172
Trust Fund - Insurance	41,749	36,749	85,582	90,582
Trust Fund - HUD	1,534,305	1,534,305	1,643,007	1,643,007
Trust Fund - Redevelopment	-	37,850	394,050	358,770
Parking Utility Operating	2,363,731	2,368,713	2,038,687	2,033,705
Parking Utility Capital Fund	97,926	97,944	59,741	59,723
Water and Sewer Utility Operating	-	1,391	-	-
Water and Sewer Utility Capital	1,586,016	1,039,125	-	-
	$ 143,622,679	$ 143,622,679	$ 248,202,339	$ 248,202,339

NOTE 16. REVENUE ACCOUNTS RECEIVABLE

Revenue accounts receivable represents amounts due to the City from various sources that have been anticipated as revenue in the current fund budget. Such receivables are offset by a reserve and, accordingly, are not recognized as revenue for regulatory reporting purposes until collected. The following table presents the activity in revenue accounts receivable for the year ended December 31, 2025:

	Dec. 31, 2024	Accruals	Collections	Cancelled	Dec. 31, 2025
Fines and Costs - Municipal Court	$ 219,284	$ 3,998,059	$ 3,989,850	$ -	$ 227,493
Prepaid School Tax	-	1,437,219	-	-	1,437,219
Total of Revenue Accounts Not Accruing Receivables	-	42,047,977	42,047,977	-	-
	$ 219,284	$ 47,483,255	$ 46,037,827	$ -	$ 1,664,712

The following table presents the activity in revenue accounts receivable for the year ended December 31, 2024:

	Dec. 31, 2023	Accruals	Collections	Cancelled	Dec. 31, 2024
Fines and Costs - Municipal Court	$ 126,955	$ 1,927,214	$ 1,834,885	$ -	$ 219,284
PILOT Administrative Fee	19,195	252,819	252,819	19,195	-
Garbage Removal Contract- BOE	54,167	339,660	392,001	1,826	-
Total of Revenue Accounts Not Accruing Receivables	-	33,639,053	33,639,053	-	-
	$ 200,317	$ 36,158,746	$ 36,118,758	$ 21,021	$ 219,284

NOTE 17. OTHER INTERGOVERNMENTAL RECEIVABLES - AGGREGATED

In addition to the fully reserved Revenue Accounts Receivable described in Note 16 and the Prepaid Debt Service receivable discussed in Note 10, the City records receivables due from other governmental entities for Federal and State grant reimbursements, Senior Citizen and Veterans deductions, and financing loans. Unlike Revenue Accounts Receivable, these amounts are not anticipated as budget revenue and are recorded as Other Intergovernmental Receivables. The following table presents the activity in other intergovernmental receivables for the year ended December 31, 2025:

	Balance Dec. 31, 2024	Increase	Decrease	Balance Dec. 31, 2025
Current Fund:				
Sr. Citizens and Veterans Deductions	$ (1,125)	$ 146,429	$ 144,850	$ 454
Federal and State Grant Fund:				
Federal and State Grants Receivable	24,106,662	8,789,776	12,237,924	20,658,514
Housing and Urban Development Fund:				
Grants Receivable	2,261,260	1,364,019	1,515,636	2,109,643
Other Trust Fund:				
UEZ Grants Receivable	2,592,235	-	-	2,592,235
General Capital Fund:				
Grants Receivable - without Reserves	6,186,133	500,000	-	6,686,133
Grants Receivable - Fully Reserved	12,137,601	-	2,489,223	9,648,378
New Jersey Infrastructure Bank Loans Receivable	941,777	-	311,581	630,196
Water and Sewer Utility Capital Fund:				
New Jersey Infrastructure Bank Loans Receivable	-	13,000,000	54,653	12,945,347
	$ 48,224,543	$ 23,800,224	$ 16,753,867	$ 55,270,900

The following table presents the activity in other intergovernmental receivables for the year ended December 31, 2024:

	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024
Current Fund:				
Sr. Citizens and Veterans Deductions	$ 1,000	$ 152,790	$ 154,915	$ (1,125)
Federal and State Grant Fund:				
Federal and State Grants Receivable	26,679,350	3,668,109	6,240,797	24,106,662
Housing and Urban Development Fund:				
Grants Receivable	2,467,760	1,366,213	1,572,713	2,261,260
Other Trust Fund:				
UEZ Grants Receivable	-	3,106,203	513,968	2,592,235
General Capital Fund:				
Grants Receivable - without Reserves	6,436,133	-	250,000	6,186,133
Grants Receivable - Fully Reserved	55,096	12,082,505	-	12,137,601
New Jersey Infrastructure Bank Loans Receivable	70,081	1,958,894	1,087,198	941,777
	$ 35,709,420	$ 22,334,714	$ 9,819,591	$ 48,224,543

NOTE 18. ECONOMIC DEPENDENCY

Major Taxpayers - The City does not have significant economic dependence on any one taxpayer. The ten largest taxpayers, in terms of assessment, are listed below. During 2020, the City completed a revaluation of all properties. During the years ended December 31, 2025 and 2024, the Top 10 taxpayers comprised 8% of the City's total tax levies, each year.

Top 10 Taxpayers		Top 10 Taxpayers	
Name	2025 Assessment	Name	2024 Assessment
Bayonne Indusries Inc/IMTT	$503,974,200	Bayonne Industries-IMTT	$ 284,735,200
PR Bayonne Industrial Urb Ren	70,609,100	PR Bayonne Industrial Urb Ren	69,565,800
Togus Urban Renewal	62,997,900	Duke Realty Bayonne Development	52,528,500
NJIND Hook Road, LLC	61,947,500	NJIND Hook Road, LLC	35,405,400
Duke Realty Bayonne Development	52,528,500	Centerpoint Pulaski, LLC	35,367,400
Gordan Terminal Serv Co of NJ Inc.	38,829,600	51-53 Hook Road, LLC	34,323,200
Bayview JV LLC	38,152,400	Buckeye Bayonne Terminal, LLC	32,814,300
Centerpoint Pulaski, LLC	35,367,400	Gordan Terminal Serv Co of NJ Inc.	32,415,000
51-53 Hook Road, LLC	34,323,200	Millions Inc.	31,900,000
Buckeye Bayonne Terminal LLC	32,814,300	Howard Warehouse Inc.	27,155,900
	$ 931,544,100		$ 636,210,700
Net Valuation Taxble	7,579,066,386	Net Valuation Taxble	7,570,703,976
Top 10 Taxpayers as a Percentage of Assessments	12%	Top 10 Taxpayers as a Percentage of Assessments	8%

State Aid - The City is also a recipient of State Aid. During the year ended December 31, 2025 and 2024, State Aid accounted for 6%, each year, of the City's realized revenues. Significant changes in State Aid policy, in conjunction with legislation capping increases to the tax levy, could further impact the City's operations.

NOTE 19. LEASE AND FINANCING OBLIGATIONS

The City has recorded obligations in the General Capital Fund for financing arrangements related to its public works garage, fire apparatus, and police vehicles.

In 2004, the City entered into a $10,000,000 financing lease with the Hudson County Improvement Authority (HCIA) to fund improvements to its public works garage. On June 24, 2015, the City refunded the remaining obligation through a new HCIA financing lease of $8,580,000. The outstanding principal was $4,900,000 at December 31, 2025 and $5,325,000 at December 31, 2024. The obligation matures in 2034 and bears interest at rates ranging from 3.00% to 5.375%

The City entered into separate lease agreements with Spartan for a Custom Fire Pumper and a Metro Star Fire Engine. The original amounts of these agreements were $439,946 and $578,471, respectively. They mature in 2029 and 2032, respectively.

During 2025, the City entered into financing agreements with the Bayonne City Federal Credit Union for police vehicles totaling $280,393. These agreements bear interest at 4.00% and mature in 2030.

NOTE 19. LEASE AND FINANCING OBLIGATIONS (continued)

Activity in the recorded obligations for the year ended December 31, 2025 was as follows:

2025 Summary of Leases Activity

Description	Balance Dec. 31, 2024	Increase	Decrease	Balance Dec. 31, 2025	Due by Dec. 31, 2026
HCIA Lease Central Garage					
Issued 2015 for $8,580,000					
Maturing annually from 2016 to 2034					
Bearing interest rates of 3.0% to 5.375%	$ 5,325,000	$ -	$ 425,000	$ 4,900,000	$ 445,000
Spartan Pumper					
Issued 6/1/2020 for $439,946					
Maturing annually from 2020 to 2029					
Bearing multiple interest rates	242,258	-	44,593	197,665	46,444
Spartan Engine					
Issued 7/23/2023 for $578,471					
Maturing annually from 2023 to 2032					
Bearing multiple interest rates	482,700	-	51,232	431,468	53,602
Credit Union Police Vehicles					
Issued 2/4/2025 for $280,393					
Maturing annually from 2025 to 2030					
Bearing interest rates of 4.00%	-	280,393	43,032	237,361	53,422
	$ 6,049,958	$ 280,393	$ 563,857	$ 5,766,494	$ 598,468

Activity in the recorded obligations for the year ended December 31, 2024 was as follows:

2024 Summary of Leases Activity

Description	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Due by Dec. 31, 2025
HCIA Lease Central Garage					
Issued 2015 for $8,580,000					
Maturing annually from 2016 to 2034					
Bearing interest rates of 3.0% to 5.375%	$ 5,740,000	$ -	$ 415,000	$ 5,325,000	$ 425,000
Credit Union Police Vehicles					
Issued 6/17/2020 for $90,165					
Maturing annually from 2020 to 2024					
Bearing interest rates of 2.49%	51,616	-	51,616	-	-
Spartan Pumper					
Issued 6/1/2020 for $439,946					
Maturing annually from 2020 to 2029					
Bearing multiple interest rates	285,075	-	42,817	242,258	44,593
Spartan Engine					
Issued 7/23/2023 for $578,471					
Maturing annually from 2023 to 2032					
Bearing multiple interest rates	531,668	-	48,968	482,700	51,232
	$ 6,608,359	$ -	$ 558,401	$ 6,049,958	$ 520,825

NOTE 19. LEASE AND FINANCING OBLIGATIONS (continued)

Future principal and interest payments on these recorded obligations, based on the amortization schedules at December 31, 2025, are as follows:

	Total		HCIA Public Works Garage		Police and Fire Vehicle Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	598,468	277,452	$ 445,000	$ 240,775	$ 153,468	$ 36,677
2027	630,051	249,694	470,000	219,600	160,051	30,094
2028	651,903	219,554	485,000	196,313	166,903	23,241
2029	684,078	187,505	510,000	171,438	174,078	16,067
2030	614,495	154,575	540,000	145,188	74,495	9,387
2031-2034	2,587,499	281,495	2,450,000	271,885	137,499	9,610
	$ 5,766,494	$ 1,370,275	$ 4,900,000	$ 1,245,199	$ 866,494	$ 125,076

Difference from GASB Statement No. 87

Under accounting principles generally accepted in the United States of America, GASB Statement No. 87 generally requires a lessee to recognize a lease liability and an intangible right-to-use lease asset for qualifying leases. The City has not measured its arrangements under that standard. Accordingly, the amounts, if any, by which lease liabilities and right-to-use lease assets under GASB Statement No. 87 would differ from amounts reported under the accounting practices prescribed by the Division of Local Government Services have not been determined as of December 31, 2025 and 2024.

NOTE 20. AGGREGATION OF ENCUMBRANCES

Other significant commitments include encumbrances outstanding for all funds of the City. Below are the aggregated outstanding encumbrances as of December 31, 2025 and 2024.

	2025	2024
Encumbrances & Contracts for:		
Current Budget Year	$ 2,501,622	$ 2,816,214
Prior Budget Years	541,552	440,573
Trust Reserves	1,030,753	1,130,313
Grant Reserves	699,769	1,249,310
Improvement Authorizations	9,540,241	8,216,387
Total Aggregated Encumbrances & Contracts	$ 14,313,937	$ 13,852,797

NOTE 21. TAX ABATEMENTS

The City negotiates property tax abatement agreements on an individual basis. The City has long-term tax abatement revenues from 59 entities and approximately 33 five-year exemptions as of December 31, 2025:

Purpose of Agreements	Taxing Government	Taxes if Billed at Full 2025 Tax Rate	Received for Payments in Lieu of Taxes & Land Tax	Accrued for Other Governments	Taxes Abated Amount	Taxes Abated (%)	Aggregate Reduction of Government Revenue
Construction of Commercial and	School	$ 15,594,803	$ -	$ -	$ 15,594,803	100%	$ -
Residential Redevelopment Projects,	County	7,867,090	-	728,000	7,139,090	91%	-
Low and Moderate Income Housing	City	21,138,933	17,032,580	(728,000)	4,834,353	23%	-
Projects and Relocation Projects	Total	$ 44,600,826	$ 17,032,580	$ -	$ 27,568,246	62%	$ -

The City has long-term tax abatement agreements with 46 entities and 34 five-year exemptions as of December 31, 2024:

Purpose of Agreements	Taxing Government	Taxes if Billed at Full 2024 Tax Rate	Received for Payments in Lieu of Taxes & Land Tax	Accrued for Other Governments	Taxes Abated Amount	Taxes Abated (%)	Aggregate Reduction of Government Revenue
Construction of Commercial and	School	$ 12,985,934	$ -	$ -	$ 12,985,934	100%	$ -
Residential Redevelopment Projects,	County	6,414,105	-	650,119	5,763,986	90%	-
Low and Moderate Income Housing	City	17,349,629	14,846,672	(650,119)	3,153,076	18%	-
Projects and Relocation Projects	Total	$ 36,749,668	$ 14,846,672	$ -	$ 21,902,996	60%	$ -

The City has entered into long-term tax exemption agreements with various Urban Renewal Entities pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the "Law"). Under these agreements, qualifying residential and commercial redevelopment projects receive exemptions from taxation on improvements and, in lieu thereof, make annual service charge payments to the City.

The Law authorizes annual service charges to be based on either a percentage of annual gross revenue or a percentage of total project cost. For low- and moderate-income housing projects, the annual service charge may not exceed 15% of annual gross revenue or 2% of total project cost. For all other projects, the annual service charge may not be less than 10% of annual gross revenue or 2% of total project cost. Certain agreements contain phased payment provisions requiring the Urban Renewal Entity to remit the greater of the annual service charge or an increasing percentage of the conventional property taxes otherwise due during the final years of the exemption period.

Tax exemption agreements may extend for periods not exceeding 30 years from project completion or 35 years from execution of the financial agreement, as permitted by the Law. In addition, profits earned by Urban Renewal Entities are subject to statutory limitations, and excess profits, if any, are payable to the City as additional annual service charges.

The Law does not provide for the recapture of previously abated taxes in the event of default. However, the City may pursue remedies available under the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1 et seq., and may terminate the applicable agreement. The City has not made any commitments under these agreements other than granting the authorized tax exemptions and is not subject to any tax abatement agreements entered into by other governmental entities.

Because the full amount required to support the City's budget is raised through taxation of non-abated properties and other available revenues, these agreements do not reduce the total tax levy required to fund municipal operations.

NOTE 22. CONTINGENT LIABILITIES

The Water/Sewer System

In December 2012, the City of Bayonne and the Bayonne Municipal Utilities Authority ("BMUA") entered into a Concession Agreement with Bayonne Joint Venture, LLC ("BJV"), a for-profit entity, whereby BJV acquired a 40 year concession to use, operate, manage, construct, maintain and improve its water system. As such, BJV is responsible for all expenses of operations of the Bayonne water system, including payments to the Commission of its share of the operating expenses and debt service on behalf of Bayonne. Nonetheless, under its water supply agreement, the City of Bayonne remains responsible to the Commission in case of any shortfall of operating or debt service payments from BJV. The BMUA was dissolved on December 31, 2016 and the City assumed all operations and debts. To date, the City has not been required to make any payments pursuant this agreement.

Tax Appeals

The City is a defendant in various tax appeals that they are defending vigorously. The tax appeals it is currently defending are not unusual for a municipality of its size. In the past, the City has funded these appeals through various means, including utilizing the reserve for tax appeals account, which is funded through budget appropriations, issuing refunding notes to pay for the appeals, direct appropriations and charges to operations. The Local Finance Board has allowed the City to issue tax refunding obligations to finance the tax refunds by Ordinance No. O-15-29 adopted September 16, 2015. The amount available to pay for appeals under the Ordinance as of December 31, 2025 and 2024 is $240,224, each year.

Grant Programs

The City participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. The state and federal grants received and expended in the years ended December 31, 2025 and 2024 were subject to the Uniform Guidance and State of New Jersey OMB Circular 25-12 which mandates that grant revenues and expenditures be audited in conjunction with the City's annual audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives.

Arbitrage Rebate

The City is subject Section 148 of Internal Revenue Code, which was enacted to minimize the arbitrage benefits from investing gross proceeds of tax-exempt bonds in higher yielding investments and to remove the arbitrage incentives to issue more bonds, to issue bonds earlier, or to leave bonds outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes for which the bonds were issued.

NOTE 22. CONTINGENT LIABILITIES (continued)

Redevelopment Area Bonds

The Redevelopment Area Bond Financing Law (N.J.S.A. 40A:12A-64 et seq) allows the City to issue non-recourse bonds (RABs) upon the execution of a Redevelopment Bond Financing Agreement. Under such an agreement, a redeveloper who has obtained tax exemption pursuant to the Long-Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq) will redevelop an area which the City has formally designated as a Redevelopment Area (as defined in N.J.S.A. 40A:12A-65). The City may issue RABs to encourage development or to assist the Redeveloper in financing the project costs as set forth in the redevelopment agreement. The RABs are not direct and general obligations of the City and the City shall not be obligated to levy and collect a tax sufficient in an amount to pay the principal and interest on the RABs. Instead, the RABs will be paid by pledged annual service charges due from the Redeveloper. The annual service charges are due in the amount as agreed upon in the Financial Agreement. However, 5% of the annual service charges shall not be subject to such pledge as that amount is due to the County in accordance with N.J.S.A. 40A:20-12 ("the County Share"). The provisions of the "Local Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.) shall not apply to any bonds issued or authorized pursuant to NJSA 40A:12A-67 and those bonds shall not be considered gross debt of the City on any debt statement filed in accordance with the "Local Bond Law," N.J.S.40A:2-1 et seq., unless those bonds were guaranteed by the City. The City has authorized the issuance of RAB Bonds as follows:

- On February 20, 2013, the City adopted an ordinance approving and authorizing the execution of a financial instrument related to the issuance by the City of $17,500,000 Redevelopment Area Bonds (non-recourse to the full faith and credit of the City of Bayonne). This ordinance was adopted to assist Prince Holdings of Bayonne Urban Renewal Enterprise, LLC (the "Redeveloper") in financing the development, design, finance and construction of approximately 250,000 square feet of industrial warehouse space and associated loading docks and parking, infrastructure improvements and related site work (the "Project"). The City and the Redeveloper have agreed that any portion of the annual service charges paid by the Redeveloper to the City in excess of the amount needed to pay the County Share and Debt Service on the bonds shall be returned to the City and retained and used by the City for any lawful purpose.

- On March 15, 2023, the City adopted Ordinance O-23-12 authorizing the guaranty and issuance of not-to-exceed $65,000,000 Redevelopment Area Bonds in relation to a Financial Agreement reached with Togus Urban Renewal, LLC for the latter's acquisition of properties within the "Texaco Redevelopment Area" identified as Block 332 Lot 3, Block 360 Lot 2, Block 390, Lots 1 and 2 and Block 391, Lots 1 and 2. The guaranty on the RAB Bonds is in addition to the security of the Pledged Annual Service Charge and Letter of Credit. Should the Bonds be issued as non-recourse to the City or refunded or refinanced as non-recourse Bonds, then the Letter of Credit shall not be required by the City. The RAB Bonds are being authorized in order to encourage the development of the property, specifically as it relates to providing the financial means to pay for the significant initial capital improvements required to redevelop the property, including demolition of existing structures, environmental remediation, substantial fill to increase the elevation of the property, and bulkhead improvements. The City and the Redeveloper have agreed that any portion of the annual service charges paid by the Redeveloper to the City in excess of the amount needed to pay the County Share and Debt Service on the RABs shall be returned to the City and retained and used by the City for any lawful purpose.

NOTE 22. CONTINGENT LIABILITIES (continued)

Litigation and Claims

The City is a defendant in various legal proceedings involving employment practices, police activities, redevelopment, and other matters. Certain claims are administered through the New Jersey Intergovernmental Insurance Fund, subject to applicable deductibles, coverage terms, and exclusions. The City may be responsible for amounts that are not covered by the Fund.

Significant pending matters include an employment action brought by a former City Business Administrator alleging discrimination and retaliation. Certain claims have been dismissed, while the remaining claims are proceeding toward trial. The plaintiff has made a settlement demand of $2.1 million and asserts additional economic and other damages. The demand does not represent an estimate of the City's liability.

The City is also named in a qui tam action alleging violations of federal and New Jersey False Claims Acts in connection with transactions involving City-controlled property. The complaint alleges an improper financial benefit exceeding $19 million and seeks treble damages, penalties, fees, and other relief. The federal and State governments declined to intervene in August 2025. The alleged benefit and requested relief do not represent an estimate of a loss payable by the City; insurance coverage for this matter remains under review.

Other pending matters include a wrongful-death and civil-rights action arising from a 2021 police incident, for which the plaintiff made a $3 million settlement demand in 2025, and an employment-related wage claim for which settlement demands were made during 2026. In a separate employment action, a $500,000 jury verdict entered in 2025 was set aside by the trial court; the plaintiff has appealed.

The City disputes the pending claims. Their ultimate outcomes and the amounts, if any, payable by the City after consideration of available coverage cannot presently be determined.

NOTE 23. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 25, 2026, the date which the financial statements were available to be issued. Material events are disclosed as follows:

Subsequent to December 31, 2025, the City adopted Capital and Bond Ordinances as follows:

- On March 18, 2026, the City adopted a Bond Ordinance for replacement of a sanitary sewer on Avenue F in the amount of $3,000,000, and authorizing the issuance of $3,000,000 of bonds or notes.
- On May 13, 2026, the City adopted a Bond Ordinance for Phase 2 of the Lead Service Line Replacement Project in the amount of $25,000,000, and authorizing the issuance of $25,000,000 of bonds or notes.
- On August 12, 2026, the City adopted a Bond Ordinance amending Bond Ordinance No. O-22-10 for various 2022 capital improvements, decreasing the amount authorized by $250,000 to a total appropriation of $17,825,000.
- On August 12, 2026, the City adopted a Capital Ordinance amending Capital Ordinance No. O-25-25 for construction/improvements to the Hudson River Waterfront Walkway, decreasing the amount authorized by $187,320 to a total appropriation of $3,312,680.
- On September 16, 2026, the City introduced a Bond Ordinance for improvements to various roads in the amount of $1,600,000, authorizing the issuance of $867,633 of bonds or notes. A hearing on the ordinance is scheduled for October 14, 2026.

NOTE 23. SUBSEQUENT EVENTS (continued)

- On September 16, 2026, the City introduced a Bond Ordinance for improvements to various roads in the amount of $2,000,000, authorizing the issuance of $570,595 of bonds or notes. A hearing on the ordinance is scheduled for October 14, 2026.
- On September 16, 2026, the City introduced an ordinance providing for a special emergency appropriation of $3,000,000 to provide for the payment of contractually required severance liabilities resulting from the layoff or retirement of employees. A hearing on the ordinance is scheduled for October 14, 2026.

Subsequent to December 31, 2025, the City issued the following notes through the Hudson County Improvement Authority's Pooled Local Unit Loan Program:

- On March 2, 2026, the City issued $9,515,000 of Series 2026A-1 Bond Anticipation Notes and $6,000,000 of Series 2026A-2 Taxable Bond Anticipation Notes. The notes were issued to refund the maturing HCIA Series 2025A notes, issued to finance various capital improvements and the acquisition of real property and construction of the Ferry Pier and Dock. The notes mature March 1, 2027 at an interest rate of 3.500% for the Series 2026A-1 notes and 4.375% for the Series 2026A-2 notes.
- On June 12, 2026, the City issued $15,537,000 of Series 2026B-1 Bond Anticipation Notes and $4,800,000 of Series 2026B-2 Special Emergency Notes. The Bond Anticipation Notes were issued to refund the HCIA Series 2025B-1 notes maturing June 24, 2026. The Special Emergency Notes were issued to renew Series 2025B-2 and private sale notes, both maturing June 24, 2026. The notes mature June 11, 2027 at an interest rate of 4.000% for the Series 2026B-1 notes and 4.650% for the Series 2026B-2 notes.

Subsequent to December 31, 2025, the City authorized the following financings with the New Jersey Infrastructure Ban (I-Bank):

- On May 13, 2026, the City authorized the issuance of a note of up to $25,000,000 under the I-Bank's Construction Financing Loan Program for Phase 2 of the Lead Service Line Replacement Project.
- On May 13, 2026, the City authorized the issuance of up to $3,300,000 of General Obligation Bonds, Series 2026A, to the I-Bank under the SFY2026 Transportation Infrastructure Financing Program.
- On June 17, 2026, the City authorized the issuance of a note of up to $900,000 under the I-Bank's Transportation Bank Short-Term Loan Program.

In addition, on April 28, 2026, the City issued $5,000,000 of Bond Anticipation Notes with an interest rate of 3.6% and maturing March 1, 2027.

CITY OF BAYONNE

REPORT OF AUDIT

STATISTICAL SECTION
(UNAUDITED)

CITY OF BAYONNE

OFFICIALS IN OFFICE
(January 1, 2025 through Audit Report Date)

Name	Title	Term Expires
Sharon Ashe-Nadrowski	**Mayor (Currently in Office)**	**June 30, 2030**
Robert Kubert	Mayor	June 30, 2026
James Davis	Mayor (Audit Year)	December 31, 2025
City Council (Currently in Office)		
Melissa Godesky-Rodriguez	Council President, Second Ward Council Member	June 30, 2030
Mariam Salama	Council Member At-Large	June 30, 2030
Mark Bottino	Council Member At-Large	June 30, 2030
Gene Perry	First Ward Council Member	June 30, 2030
Tommy Gillen	Third Ward Council Member	June 30, 2030
City Council (Audit Year)		
Gary LaPelusa, Sr.	Council President, Third Ward Council Member	June 30, 2026
Juan M. Perez	Council Member At-Large	June 30, 2026
Loyad Booker, Jr.	Council Member At-Large	June 30, 2026
Cornelius J. Carroll III	First Ward Council Member	June 30, 2026
Jacqueline Weimmer	Second Ward Council Member	June 30, 2026
Officers and Department Directors:		
Madelene C. Medina	City Clerk	
Andrew Casais	Business Administrator (starting July 1, 2026)	
Mary Jane Desmond	Business Administrator (through June 30, 2026)	
Donna Russo	Director of Law (starting December 1, 2025)	
John J. Coffey	Director of Law (through December 1, 2025)	
James Ashe	Director of Public Safety (starting July 1, 2026)	
Robert Kubert	Director of Public Safety (through June 30, 2026)	
Jan Patrick Egan	Director of Municipal Services	
Thomas Cotter	Director of Public Works	
Alicia Losonczy	Acting Director of Planning, Zoning and Development (starting July 1, 2026)	
Joseph Skillender, Jr.	Director of Planning, Zoning and Development (through June 30, 2026)	
Other Municipal Officials and Statutory Titles:		
Donna Mauer	Chief Financial Officer	
Rosemarie Martinez-Kufta	Tax Collector	
Jessica Connors	Tax Assessor	
Amy Dellabella	Qualified Purchasing Agent (QPA)	
Claudia Geerin	Treasurer / Comptroller	
Joseph Benkert	Construction Official/Building Subcode	
Municipal Court Officials:		
Hon. Cheryl Scott Cashman	Municipal Court Judge	
Hon. Christopher Patella	Municipal Court Judge (starting November 3, 2025)	
Hon. Susan Ferraro	Municipal Court Judge (through October 31, 2025)	
Christie Gonzalez	Court Administrator	

FIVE-YEAR HISTORY OF GOVERNMENTAL EXPENDITURES*

	2025	2024	2023	2022	2021
General Government	$ 5,605,700	$ 5,370,175	$ 6,010,400	$ 7,262,880	$ 6,513,500
Land Use Administration	1,154,000	1,121,350	830,000	796,000	584,000
Insurance	30,327,100	26,140,000	22,751,000	17,450,000	14,975,000
Public Safety Functions	49,967,500	52,757,849	48,799,000	46,989,700	46,375,477
Public Works Functions	9,696,733	9,059,323	8,714,500	7,143,000	7,071,000
Health and Human Services Functions	1,926,000	1,618,000	1,228,640	1,112,000	2,014,680
Parks and Recreation Functions	4,388,500	4,282,000	4,704,000	5,026,000	4,621,000
Education Functions	3,613,410	3,306,137	3,020,631	2,754,495	2,639,689
Other Common Operating Functions	537,500	532,500	1,942,500	2,168,500	1,921,500
Utility Expenses and Bulk Purchases	2,650,000	2,450,000	2,685,000	2,835,000	2,472,000
Landfill & Solid Waste Disposal Costs	3,512,000	3,600,000	4,200,000	4,100,000	3,650,000
Contingent	1,000	1,000	1,000	1,000	1,000
Statutory Expenditures	21,013,187	20,779,780	19,389,868	17,791,864	18,737,656
Federal and State Grants	10,587,966	3,882,095	9,458,460	19,292,912	13,277,994
Shared Service Agreements	332,000	310,000	615,400	383,867	134,000
Municipal Court	1,252,900	1,230,000	1,345,500	1,245,000	1,320,000
Capital Improvements	154,800	550,000	400,000	300,000	850,000
Municipal Debt Service	20,632,624	18,100,151	13,547,983	13,432,058	13,704,101
Deferred Charges	800,000	148,000	150,448	509,512	193,008
School District Debt Service	5,328,933	5,331,950	8,330,057	9,027,410	10,453,613
Reserve for Uncollected Taxes	1,134,478	1,587,129	1,433,501	1,574,918	1,102,534
Emergency Appropriations	3,000,000	4,000,000	-	-	350,000
Total	$ 177,616,331	$ 166,157,439	$ 159,557,888	$ 161,196,116	$ 152,961,752

* Refers to Current Fund Appropriation Budget after Modifications.

FIVE-YEAR HISTORY OF GOVERNMENTAL REALIZED REVENUES

Year	Current Taxes	Delinquent Taxes	Local Revenues	State Aid	Shared Service Agreements	Federal State and County Grants	Surplus and Special Items	Non-Budet Revenues & Other Items	Total
2025	$ 103,880,991	$ 439,878	$ 26,524,990	$ 8,935,091	$ 601,832	$ 8,789,776	$ 26,843,997	$ 451,488	$ 176,468,043
2024	101,578,811	495,323	21,158,088	9,856,089	646,201	3,668,109	29,064,469	693,665	167,160,755
2023	99,428,430	242,525	17,871,883	8,890,836	574,983	9,095,683	28,822,349	1,192,975	166,119,664
2022	97,525,375	170,209	13,458,398	9,290,398	422,117	19,029,857	24,572,007	5,934,219	170,402,580
2021	96,618,388	746,282	13,203,536	8,829,801	315,083	13,104,300	20,343,790	3,154,772	156,315,952

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

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized:				
Miscellaneous Revenue Anticipated	$ 63,762,694	21.63%	$ 49,642,956	18.03%
Receipts from Delinquent Taxes	439,878	0.15%	495,323	0.18%
Receipts from Current Taxes	217,789,950	73.88%	211,941,752	76.96%
Miscellaneous Revenue Not Anticipated	451,488	0.15%	693,665	0.25%
Other Credits to Income	12,329,952	4.18%	12,604,320	4.58%
	294,773,962	100.00%	275,378,016	100.00%
Expenditures:				
Budget Appropriations	176,481,623	60.43%	164,570,310	57.22%
School, County and SID Taxes	115,043,437	39.39%	111,950,070	38.93%
Other Charges	533,355	0.18%	11,079,263	3.85%
	292,058,415	100.00%	287,599,643	100.00%
Change in Operations, Net of Surplus Utilized	2,715,547		(12,221,627)	
Adjustments to Income: Deferred Charges of Budget of Succeeding Year	3,000,000		4,000,000	
Fund Balance, January 1	10,765,790		18,987,417	
Fund Balance, December 31	$ 16,481,337		$ 10,765,790	

FIVE-YEAR HISTORY OF TAX RATE AND APPORTIONMENT OF TAX RATE
(per $100 of assessed valuation)

Year Ended	Total Tax Rate	Municipal	County	Local School
Dec. 31, 2025	2.880	1.294	0.508	1.078
Dec. 31, 2024	2.796	1.249	0.488	1.059
Dec. 31, 2023	2.683	1.171	0.438	1.074
Dec. 31, 2022	2.633	1.149	0.424	1.060
Dec. 31, 2021	2.612	1.131	0.407	1.074

Municpal includes Library, County includes County Open Space and Local School includes school debt service in Municpal B

Table 5

FIVE-YEAR HISTORY OF DELINQUENT TAXES AND TAX TITLE LIENS

Year Ended	Tax Title Liens	Delinquent Taxes	Total	Percent of Tax Levy
Dec. 31, 2025	$ 760,908	$ 368,123	$ 1,129,031	0.52%
Dec. 31, 2024	730,533	500,009	1,230,542	0.58%
Dec. 31, 2023	701,044	573,202	1,274,246	0.62%
Dec. 31, 2022	672,746	1,621,547	2,294,293	1.15%
Dec. 31, 2021	644,976	1,289,141	1,934,117	0.98%

FIVE-YEAR HISTORY OF TAX LEVIES AND COLLECTIONS

Year Ended	Tax Levy	Cash Collections	Collection Percentage
Dec. 31, 2025	$ 218,904,872	$ 217,789,950	99.49%
Dec. 31, 2024	212,248,383	211,941,752	99.86%
Dec. 31, 2023	205,857,655	204,777,922	99.48%
Dec. 31, 2022	199,954,246	198,447,967	99.25%
Dec. 31, 2021	197,597,526	196,966,217	99.68%

Table 7

FIVE-YEAR HISTORY OF PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

As of	Amount
Dec. 31, 2025	$ 18,339,900
Dec. 31, 2024	18,416,900
Dec. 31, 2023	18,416,900
Dec. 31, 2022	6,473,400
Dec. 31, 2021	6,473,400

FIVE-YEAR HISTORY OF PERCENTAGE OF
NET ASSESSED VALUATION TO ESTIMATED FULL CASH VALUATION

Year Ended	Net Assessed Valuation Taxable	Estimated Full Cash Valuation	Percentage of Net Assessed Value To Estimated Full Cash Valuation
Dec. 31, 2025	$ 7,576,335,100	$ 10,979,945,643	69.00%
Dec. 31, 2024	7,570,703,976	10,001,207,298	75.70%
Dec. 31, 2023	7,604,155,436	9,263,096,586	82.09%
Dec. 31, 2022	7,534,423,877	8,369,789,648	90.02%
Dec. 31, 2021	7,540,289,306	7,986,301,119	94.42%

Source: County Abstract of Ratables

FIVE-YEAR HISTORY OF RATIO OF ANNUAL DEBT SERVICE* TO OPERATING EXPENDITURES AND REVENUES

Year	Debt Service Requirement			Total Budget (1) Appropriations	Ratio of Debt Sevice to Current Fund Expenditures	Total Realized Budget Revenue	Ratio of Debt Sevice to Current Fund Revenue
	Principal	Interest	Total				
2025	$ 18,746,135	$ 6,367,718	$ 25,113,853	$ 177,616,101	14.14 %	$ 176,016,555	14.27%
2024	15,781,020	6,794,592	22,575,612	166,157,439	13.59 %	166,467,090	13.56%
2023	12,575,179	8,596,088	21,171,267	159,557,887	13.27 %	164,926,689	12.84%
2022	12,775,574	8,960,102	21,735,676	161,196,116	13.48 %	164,468,361	13.22%
2021	12,342,982	11,781,996	24,124,978	152,961,752	15.77 %	153,161,180	15.75%

* Includes amounts paid or charged for bonded debt (including Green Trust Loans and I-Bank Loans), assignment agreement and notes issued in anticipation thereof, for City and School Purposes.
Does not include tax anticipation notes, capital lease transactions, utility bonds and loans, and emergency notes.

(1) Budget after Modification less unexpended balances canceled.

COMPUTATION OF LEGAL DEBT MARGIN AND OVERLAPPING DEBT

	Dec. 31, 2025	Dec. 31, 2024
Three-Year Average Equalized Valuation	$ 10,704,819,939	$ 10,025,627,064
Debt Limit - 3 1/2% of Average Equalized Valuation	$ 374,668,698	$ 350,896,947
Net Debt	197,319,652	200,349,488
Remaining Borrowing Power / Debt Margin	$ 177,349,046	$ 150,547,459

	December 31, 2025		
	Gross Debt	Deductions	Net Debt
Local School Debt	$ 15,071,000	$ 15,071,000	$ -
Self-Liquidating Purposes	13,575,000	13,575,000	-
Municipal Debt	209,969,599	12,649,947	197,319,652
Total	$ 238,615,599	$ 41,295,947	$ 197,319,652

Overlapping Debt (Gross):	
County of Hudson (December 31, 2024)	$ 46,416,070
Hudson County Improvement Authority (December 31, 2024)	62,697,933
	$ 109,114,002

	December 31, 2024		
	Gross Debt	Deductions	Net Debt
Local School Debt	$ 19,941,000	$ 19,941,000	$ -
Self-Liquidating Purposes	850,000	850,000	-
Municipal Debt	217,581,534	11,790,000	205,791,534
Total	$ 238,372,534	$ 32,581,000	$ 205,791,534

Overlapping Debt (Gross):	
County of Hudson (December 31, 2024)	$ 119,211,711
Hudson County Improvement Authority (December 31, 2024)	64,058,572
	$ 183,270,283

FIVE-YEAR HISTORY OF RATIO OF BONDED AND BONDABLE DEBT TO EQUALIZED VALUE AND DEBT PER CAPITA

Year	Population	Three-Year Average Equalized Valuation	Gross Debt	Gross Debt Per Capita	Ratio of Gross Debt to Equalized Valuation	Net Debt	Net Debt Per Capita	Ratio of Net Debt to Equalized Valuation
2025	71,686	$ 10,704,819,939	$ 238,615,599	$ 3,329	2.23%	$ 197,319,652	$ 2,753	1.843%
2024	71,686	10,025,627,064	232,930,488	3,249	2.32%	200,349,488	2,795	1.998%
2023	71,686	9,166,399,234	216,577,300	3,021	2.36%	178,446,300	2,489	1.947%
2022	71,686	8,407,148,725	230,598,035	3,217	2.74%	185,815,608	2,592	2.210%
2021	71,686	7,756,651,898	234,308,760	3,269	3.02%	184,350,704	2,572	2.377%

Included above is all debt as required by NJSA 40A:4-20.
Operating debt, such as tax anticipation notes, emergency notes, special emergency notes and utility revenue notes, are not included.

CITY OF BAYONNE

REPORT OF AUDIT

SUPPLEMENTARY INFORMATION:
FUND FINANCIAL SCHEDULES

CITY OF BAYONNE **Exhibit A-4**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF CASH AND CASH EQUIVALENTS

	Ref.	Current Fund		Federal and State Grants Fund	
Balance: December 31, 2024			$ 27,058,568		$ 2,726,986
Increased by Cash Receipts:					
Delinquent Taxes Receivable	A-2a	$ 439,878		$ -	
Current Taxes Receivable	A-2a	211,358,328		-	
Miscellaneous Revenues Not Anticipated	A-2b	241,867		-	
Petty Cash	A-6	4,500		-	
State Aid Receivable	A-10	3,421,398		-	
Revenue Accounts Receivable	A-11	45,175,461		-	
Other Receivables	A-12	1,703		-	
Interfunds	A-14, A-36	28,842,916		2,325,179	
Interfunds - Interest	A-14, A-36	-		24,022	
Contracts Payable	A-17	78,156		-	
State Sr. Citizen and Veteran Deductions	A-18	144,850		-	
Prepaid Taxes	A-19	2,266,636		-	
Tax Overpayments - Current Taxes	A-20	919,927		-	
Bulk Levy Tax Sale	A-21	2,361,834		-	
Due to Bulk Levy Purchaser	A-23	1,385,996		-	
Buk Levy Sale Deposits	A-24	250,000		-	
Due to County for PILOT Fees	A-25	728,000		-	
Reserve for Urban Enterprise Zone Funds	A-30	10,205		-	
Reserves for Other	A-31	8,236		-	
Special Emergency Notes	A-32	3,000,000		-	
Grants Receivable	A-33	-		8,227,466	
Unappropriated Grant Reserves	A-35	-		100,296	
			300,639,891		10,676,963
			327,698,459		13,403,949
Decreased by Cash Disbursements:					
Refund of Prior Year Revenue	A-1	28,565		-	
Current Year Budget Appropriations	A-3	61,588,903		-	
Petty Cash	A-6	4,500		-	
Interfunds	A-14, A-36	111,388,602		9,530,347	
Appropriation Reserves	A-15	1,959,997		-	
Tax Overpayments	A-20	944,035		-	
Prepaid Tax Sale Costs	A-22	9,982		-	
Due to Bulk Levy Purchaser	A-23	1,385,996		-	
Buk Levy Sale Deposits	A-24	200,000		-	
Due to County for PILOT Fees	A-25	670,424		-	
School Taxes Payable	A-26	76,259,424		-	
County Taxes Payable	A-27	38,484,574		-	
Special Improvement District Taxes Payable	A-28	8,086		-	
Reserve for Urban Enterprise Zone Funds	A-30	252,201		-	
Reserves for Other	A-31	9,102		-	
Special Emergency Notes	A-32	800,000		-	
Appropriated Grant Reserves	A-34	-		3,064,259	
			293,994,391		12,594,606
Balance: December 31, 2025			$ 33,704,068		$ 809,343

CITY OF BAYONNE **Exhibit A-5**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF CHANGE FUND

	Ref.		
Balance: December 31, 2025 and 2024	A		$ 1,050
			$ 600
			450
			$ 1,050

SCHEDULE OF PETTY CASH **Exhibit A-6**

	Ref.		
Balance: December 31, 2024	A		$ -
Increased by Disbursements to Custodians:			
Initial Funding			
Business Administration		$ 2,000	
Public Safety		2,000	
Municipal Library		500	
	A-4		4,500
			4,500
Decreased by:			
Returns from Custodians	A-4		4,500
Balance: December 31, 2025			$ -

CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit A-7

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance: Dec. 31, 2024	2025 Levy	Added Taxes	Collections: By Cash Receipts - Net of Refunds: Prior Year	Collections: By Cash Receipts - Net of Refunds: Current Year	Collections: By Discounts (Dis)Allowed	Transfer / Cancelled	Transfer to Tax Title Liens	Balance: Dec. 31, 2025
2024 & Prior	$ 500,009	$ -	$ 1,035,218	$ -	$ 439,878	$ -	$ 914,602	$ -	$ 180,747
2025	-	218,904,872	-	877,545	216,769,597	142,808	897,171	30,375	187,376
	$ 500,009	$ 218,904,872	$ 1,035,218	$ 877,545	$ 217,209,475	$ 142,808	$ 1,811,773	$ 30,375	$ 368,123
	A			A-2a, A-19	A-2a	A-2a, A-18		A-8	A

Analysis of 2025 Property Tax Levy:

Tax Yield:		Tax Levy:	
General Purpose	$ 218,473,925	Local District School Tax (Abstract)	
Added and Omitted Taxes	430,947	Levy	$ 76,259,424
	$ 218,904,872	Addition to Local District School Tax	5,328,933
			$ 81,588,357
		County Tax	
		County Taxes (Abstract)	37,334,587
		County Open Space Taxes	1,097,994
		Added and Omitted County Taxes	75,958
			38,508,539
		Special Improvement District Taxes	275,474
		Library Tax	3,613,410
		Local Tax for Municipal Purposes (Abstract)	94,534,532
		Local Tax for Municipal Levied (Added)	354,989
		Levy Surplus	29,571
			94,919,092
			$ 218,904,872

CITY OF BAYONNE **Exhibit A-8**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	Ref.	
Balance: December 31, 2024	A	$ 730,533
Increased by:		
Transfer from Taxes Receivable	A-7	30,375
Balance: December 31, 2025	A	$ 760,908

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION **Exhibit A-9**

	Ref.	
Balance: December 31, 2024	A	$ 18,416,900
Decreased by:		
Adjustment to Assessed Valuation		77,000
Balance: December 31, 2025	A	$ 18,339,900

CITY OF BAYONNE **Exhibit A-10**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF INTERGOVERNMENTAL RECEIVABLES - STATE AID - PREPAID DEBT SERVICE

	Ref.		
Balance: December 31, 2024	A		$ 1,182,992
Increased by:			
Accrued State Aid	A-2a		8,935,091
			10,118,083
Decreased by:			
Cash Receipts - Scheduled Recapitulation	A-4	$ 3,421,398	
Qualified Bonds Paid by State	A-3	5,521,105	
			8,942,503
Balance: December 31, 2025	A		$ 1,175,580

CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit A-11
Sheet 1 of 2

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance: Dec. 31, 2024	Accrued	Cash Receipts	Other Funds and Reserves	Balance: Dec. 31, 2025
Local Revenues:					
Licenses:					
Alcoholic Beverage	$ -	$ 71,254	$ 71,254	$ -	$ -
Other	-	172,145	172,145	-	-
Fees and Permits	-	3,353,180	3,353,180	-	-
Fines and Costs - Municipal Court	219,284	3,998,059	3,989,850	-	227,493
Fines and Costs - Other	-	131,167	131,167	-	-
Interest and Costs on Taxes	-	403,656	403,656	-	-
Interest on Investments and Deposits	-	1,197,853	1,197,853	-	-
Rents - City Owned Property	-	173,305	173,305	-	-
Payments in Lieu of Taxes:					
Bayonne Housing Authority	-	532,669	532,669	-	-
Senior Horizons of Bayonne	-	10,000	10,000	-	-
Southshore Village/Post Road Gardens	-	295,940	295,940	-	-
Costco/Bayonne Redev. UR Block 700 LLC	-	142,500	142,500	-	-
Barnabas Bayonne	-	290,700	290,700	-	-
Alexan City View	-	1,328,809	1,328,809	-	-
Platty Kill Manor	-	257,500	257,500	-	-
Bayonne CommunityAction	-	15,399	15,399	-	-
Bayonne Energey Cener Urban Renewal I	-	1,382,537	1,382,537	-	-
Bayonne Energey Cener Urban Renewal II	-	488,940	488,940	-	-
Prince Holdings	-	416,281	416,281	-	-
195 East 22nd Street Urban Renewal	-	69,298	69,298	-	-
Silklofts	-	220,923	220,923	-	-
Tagliareni Building	-	26,712	26,712	-	-
Port Authority	-	98,578	98,578	-	-
Port Authority/Workbench	-	382,128	382,128	-	-
Port Authority/Global Auto Marine Terminal	-	1,051,145	1,051,145	-	-
Port Authority of New York & New Jersey	-	350,220	350,220	-	-
Bayonne Bay Developer Urban Renewal	-	1,925,237	1,925,237	-	-
PSIP II	-	136,191	136,191	-	-
North Street Porperties	-	165,386	165,386	-	-
230-250 Avenue E	-	195,487	195,487	-	-
Bayonne 19th Street Urban Renewal	-	307,806	307,806	-	-
662 Avenue C	-	49,507	49,507	-	-
160 East 22nd Street	-	134,978	134,978	-	-
190 West 54th - Woodmont	-	749,402	749,402	-	-
Hobart Housing Urban Renewal Corp.	-	12,588	12,588	-	-
MHP 22 Avenue E	-	184,012	184,012	-	-
PSIP Avenue A	-	147,707	147,707	-	-
Bayonne Equities	-	159,316	159,316	-	-
957-965 Broadway	-	315,209	315,209	-	-
KRE Fleet Urban Renewal	-	1,011,857	1,011,857	-	-
Bayonne Avenue F Owner LLC	-	518,531	518,531	-	-
Bayonne Redevelopers Block 720	-	170,960	170,960	-	-
160 East 22nd Street 2-01 Realty LLC	-	36,579	36,579	-	-
Mahalaxmi Flagship UR	-	131,295	131,295	-	-
252-268 Avenue E UR	-	461,195	461,195	-	-
Lofts on Avenue E 1	-	121,917	121,917	-	-
Lofts on Avenue E, LLC 2	-	186,450	186,450	-	-
Pier View Lofts Urban Renewal LLC	-	165,851	165,851	-	-
23rd Street Urban Renewal JOF AAI 3, LLC	-	200,278	200,278	-	-
South Cove Development IV UR, LLC	-	72,188	72,188	-	-
SWL UR, LLC	-	356,250	356,250	-	-
175 West 7th Development UR, LLC	-	81,568	81,568	-	-
345-347 Avenue A UR, LLC	-	106,297	106,297	-	-

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance: Dec. 31, 2024	Accrued	Cash Receipts	Other Funds and Reserves	Balance: Dec. 31, 2025
Local Revenues:					
Payments in Lieu of Taxes:					
TFG 115-117 W2nd Street UR, LLC (Condos)	$ -	$ 55,890	$ 55,890	$ -	$ -
TFG (Unit 302)	-	9,222	9,222	-	-
TFG (Unit 402)	-	7,082	7,082	-	-
Accurate Builders, LLC	-	661,323	661,323	-	-
CE-HB UR, LLC	-	281,585	281,585	-	-
Five Year PILOTS	-	163,475	163,475	-	-
PILOT Administrative Fee	-	389,682	389,682	-	-
	219,284	26,533,199	26,524,990	-	227,493
Shared Service Agreements:					
Garbage Removal Contract - Bayonne BOE	-	325,832	325,832	-	-
Bayonne Housing Authority -					
Garbage/Dumpster	-	76,000	76,000	-	-
Police Services	-	200,000	200,000	-	-
	-	601,832	601,832	-	-
Other Special Items:					
Uniform Fire Safety Act	-	162,313	162,313	-	-
PVSC Municipal Rebate Incentive Program	-	14,875	14,875	-	-
Royal Caribbean Cruise Port	-	2,416,140	2,416,140	-	-
Debt Service Reimbursement - Empire Golf	-	425,000	425,000	-	-
Indirect Cost Reimbursement - UCC	-	248,576	248,576	-	-
Uniform Fire Code Inspection Fees	-	346,451	346,451	-	-
Parking Tax	-	1,599,403	1,599,403	-	-
Spectra Energy	-	1,651,494	1,651,494	-	-
Port Authority Land Payment	-	5,000,000	5,000,000	-	-
BMUA Expense Reimbursement	-	698,962	698,962	-	-
Cable TV Franchise Fee	-	530,425	530,425	-	-
Sale of Municipal Assets	-	4,955,000	4,955,000	-	-
Reserve for Debt Service	-	500,000	-	500,000	-
Reserve for Debt Service - BMUA	-	208,558	-	208,558	-
Reserve for Preliminary Expenses	-	3,167	-	3,167	-
Reserve for Marist High School	-	100,000	-	100,000	-
Reserve for Debt Retirement	-	50,641	-	50,641	-
Prepaid School Tax	-	1,437,219	-	-	1,437,219
	-	20,348,224	18,048,639	862,366	1,437,219
Total Miscellaneous Revenues	$ 219,284	$ 47,483,255	$ 45,175,461	$ 862,366	$ 1,664,712
	A		A-2a, A-4	A-2a, A-14	A

CITY OF BAYONNE **Exhibit A-12**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF OTHER RECEIVABLES

	Ref.		
Balance: December 31, 2024	A	$	1,943
Decreased by:			
Cash Receipts	A-4, A-1		1,703
Balance: December 31, 2025	A	$	240

CITY OF BAYONNE **Exhibit A-13**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF DEFERRED CHARGES

	Original Amount Deferred	Balance: Dec. 31, 2024	Increased by: Current Year Authorizations	Decreased by: Budget Appropriation Cash Payment	Balance: Dec. 31, 2025
Special Emergency Appropriations					
Contractually Required Severance Liabilities					
NJSA 40A:4-53(b)					
Ord. O-24-53 - October 16, 2024	$ 4,000,000	$ 4,000,000	$ -	$ 800,000	$ 3,200,000
Ord. O-25-63 - October 15, 2025	3,000,000	-	3,000,000	-	3,000,000
		$ 4,000,000	$ 3,000,000	$ 800,000	$ 6,200,000
		A	A-3	A-3	A

CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit A-14

SCHEDULE OF INTERFUNDS

		Total	Federal & State Grant Fund	Animal Control	Insurance Trust	Tax Lien Redemption Trust	HUD Grant Fund	Other Trust Fund	Redevelopment Escrow	Payroll Agency Fund	General Capital Fund	Parking Utility Operating Fund	Parking Utility Capital Fund	Wate and Sewer Utility Capital Fund
Increased by:														
Trust Reserves Cancelled	A-1	$ 51,983	$ -	$ -	$ 51,983	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grant Awards:														
Adopted Budget	A-2a	1,560,460	1,560,460	-	-	-	-	-	-	-	-	-	-	-
Added by NJSA 40A:4-87	A-2a	7,229,316	7,229,316	-	-	-	-	-	-	-	-	-	-	-
Cash Disbursements	A-4	111,388,602	-	3,075	30,414	2,628,865	1,534,305	83,741	-	90,534,968	13,077,634	2,358,631	97,844	1,039,125
Capital Fund Reserves Anticipated	A-11	862,366	-	-	-	-	-	-	-	-	862,366	-	-	-
		121,092,727	8,789,776	3,075	82,397	2,628,865	1,534,305	83,741	-	90,534,968	13,940,000	2,358,631	97,844	1,039,125
Decreased by:														
Budget Appropriation:														
Capital Improvement Fund	A-3	154,800	-	-	-	-	-	-	-	-	154,800	-	-	-
Unemployment Reserves	A-3	24,000	-	-	24,000	-	-	-	-	-	-	-	-	-
Payroll Charges	A-3	90,534,333	-	-	-	-	-	-	-	90,534,333	-	-	-	-
Grant Awards	A-3	8,789,776	8,789,776	-	-	-	-	-	-	-	-	-	-	-
Grant Matching	A-3	1,714,534	1,714,534	-	-	-	-	-	-	-	-	-	-	-
Cash Receipts	A-4	28,842,916	6,757,099	3,075	58,397	2,628,865	1,534,305	-	35,280	-	14,330,295	2,358,631	97,844	1,039,125
Appropriation Reserves:														
Storm Recovery Reserves	A-15	82,510	-	-	-	-	-	82,510	-	-	-	-	-	-
		130,142,869	17,261,409	3,075	82,397	2,628,865	1,534,305	82,510	35,280	90,534,333	14,485,095	2,358,631	97,844	1,039,125
Net Change in Interfunds		(9,050,142)	(8,471,633)	-	-	-	-	1,231	(35,280)	635	(545,095)	-	-	-
Balance: December 31, 2024														
Interfunds Receivable	A, A-1	9,556,798	8,976,423	-	-	-	-	-	35,280	-	545,095	-	-	-
Interfunds Payable	A	1,866	-	-	-	-	-	1,231	-	635	-	-	-	-
Balance: December 31, 2025														
Interfunds Receivable	A, A-1	$ 504,790	$ 504,790	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF APPROPRIATION RESERVES

	Balance: December 31, 2024		Balance After	Paid or	Contracts	Balance
	Reserved	Encumbered	Transfers	Charged	Payable	Lapsed
(A) Operations - within "CAPS"						
Office of the Mayor						
Salaries and Wages	$ 728	$ -	$ 728	$ -	$ -	$ 728
Other Expenses	6,346	440	6,786	186	-	6,600
Planning Board						
Other Expenses	602	16,000	16,602	2,204	-	14,398
Board of Adjustment						
Other Expenses	70	5,469	5,539	1,500	-	4,039
Alcohol Beverage Control						
Other Expenses (N.J.S.A. 40:56A-1)	1,000	-	1,000	-	-	1,000
Environmental Commission						
Other Expenses (N.J.S.A. 40:56A-1)	1,000	-	1,000	-	-	1,000
Rent Control Office						
Other Expenses	19,884	29,378	49,262	1,863	-	47,399
Planning and Zoning						
Salaries and Wages	7,800	-	7,800	-	-	7,800
Other Expenses	339	192,581	192,920	68,051	-	124,869
City Clerk & Municipal Council						
Municipal Council						
Salaries and Wages	5,397	-	5,397	-	-	5,397
Other Expenses	3,015	-	3,015	-	-	3,015
City Clerk's Office						
Salaries and Wages	1,005	-	1,005	-	-	1,005
Other Expenses	2,086	879	2,965	2,058	-	907
Primary, General & Municipal Elections						
Salaries and Wages	3,650	-	3,650	-	-	3,650
Other Expenses	9,486	-	9,486	-	-	9,486
Audit Services	-	500	500	-	-	500
Department of Administration						
Business Administrator's Office						
Salaries and Wages	13,733	-	13,733	-	-	13,733
Other Expenses	17,381	28,173	45,554	37,540	-	8,014
Finance Office						
Salaries and Wages	6,410	-	6,410	-	-	6,410
Other Expenses	17,019	7,940	24,959	19,439	-	5,520
Tax Assessor						
Salaries and Wages	6,387	-	6,387	-	-	6,387
Special Emergency: Revaluation						
Collection of Taxes						
Salaries and Wages	4,566	-	4,566	-	-	4,566
Postage	1,413	-	1,413	-	-	1,413
Personnel Department						
Salaries and Wages	3,977	-	3,977	-	-	3,977
Bayonne Historical Commission						
Other Expenses	5,958	-	5,958	-	-	5,958
Law Department						
Salaries and Wages	11,104	-	11,104	-	-	11,104
Other Expenses	7,624	1,045	8,669	731	-	7,938
Contracts	58,250	118,755	177,005	57,979	-	119,026
Board of Health						
Salaries and Wages	7,004	-	7,004	-	-	7,004
Other Expenses	3,942	55,804	59,746	37,672	-	22,074
Municipal Services						
Salaries and Wages	5,105	-	5,105	-	-	5,105
Other Expenses	9,662	75,923	85,585	8,866	-	76,719
Office on Aging						
Salaries and Wages	6,943	-	6,943	-	-	6,943
Other Expenses	5,000	-	5,000	-	-	5,000
Department of Public Safety						
Police - Uniform Personnel						
Salaries and Wages	97,755	-	97,755	-	-	97,755
Other Expenses	62,695	54,509	117,204	72,368	22,823	22,013
Police - Non-Uniform Personnel						
Salaries and Wages	18,714	-	18,714	-	-	18,714
Other Expenses	64	-	64	-	-	64

CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF APPROPRIATION RESERVES

	Balance: December 31, 2024		Balance After	Paid or	Contracts	Balance
	Reserved	Encumbered	Transfers	Charged	Payable	Lapsed
(A) Operations - within "CAPS"						
Fire - Non-Uniform Personnel						
Salaries and Wages	$ 11,651	$ -	$ 11,651	$ -	$ -	$ 11,651
Fire - Uniform Personnel						
Salaries and Wages	21,842	-	21,842	-	-	21,842
Uniform Fire Safety Act	13,815	60,010	73,825	52,655	-	21,170
Prosecutor's Office						
Other Expenses	616	42,768	43,384	8,780	-	34,604
Department of Public Works						
Streets and Road Maintenance						
Salaries and Wages	23,890	-	23,890	-	-	23,890
Other Expenses	18,853	14,285	33,138	352	-	32,786
Snow Removal						
Other Expenses	-	82,510	82,510	82,510	-	-
Other Public Works						
Salaries and Wages	10,656	-	10,656	-	-	10,656
Other Expenses	7,598	-	7,598	675	-	6,923
Solid Waste Collection	1,192	250,163	251,355	241,853	-	9,502
Buildings and Grounds						
Salaries and Wages	8,529	-	8,529	-	-	8,529
Other Expenses	40,347	135,000	175,347	42,686	-	132,661
Vehicle Maintenance						
Salaries and Wages	8,361	-	8,361	-	-	8,361
Other Expenses	34,095	115,136	149,231	24,995	-	124,236
Swimming Pool						
Salaries and Wages	568	-	568	-	-	568
Other Expenses	3,388	915	4,303	-	-	4,303
Parks & Playgrounds - Recreational						
Salaries and Wages	8,271	-	8,271	-	-	8,271
Other Expenses	20,657	10,542	31,199	22,559	-	8,640
Maintenance of Parks						
Salaries and Wages	21,339	-	21,339	-	-	21,339
Other Expenses	60,164	119	60,283	3,729	-	56,554
Engineering Services	173,386	212,412	385,798	292,790	-	93,008
Municipal Court						
Salaries and Wages	13,464	-	13,464	-	-	13,464
Other Expenses	32,593	4,297	36,890	7,375	-	29,515
Public Defender						
Other Expenses	955	35,400	36,355	3,600	-	32,755
Insurance:						
General Liability / Workers Comp.	319,125	-	319,125	24,344	-	294,781
Employee Group Health	366,230	438,747	804,977	330,914	-	474,063
Group Insurance Waiver Costs	4,034	-	4,034	-	-	4,034
Unclassified:						
Utilities	24,667	227,530	252,197	197,276	-	54,921
Telecommunications	43,684	8,016	51,700	5,900	-	45,800
Gasoline	147,565	139,330	286,895	33,957	-	252,938
Solid Waste Disposal (Tipping Fees)	91,500	331,980	423,480	314,738	-	108,742
Celebration of Public Holidays	286	-	286	-	-	286
Bulk Levy Sale Expenses	-	8,740	8,740	-	-	8,740
Office Services	613	15,242	15,855	9,765	-	6,090
(B) Contingent	1,000	-	1,000	-	-	1,000
(2) STATUTORY EXPENDITURES						
Contribution to:						
PERS	27,382	-	27,382	1,553	-	25,829
Pensioners & Widow(er)s	6,754	-	6,754	-	-	6,754
DCRP	4,223	-	4,223	-	-	4,223

SCHEDULE OF APPROPRIATION RESERVES

	Balance: December 31, 2024		Balance After	Paid or	Contracts	Balance
	Reserved	Encumbered	Transfers	Charged	Payable	Lapsed
(A) Operations - Excluded From "CAPS"						
GENERAL GOVERNMENT						
Free Public Library	$ 694,108	$ 86,509	$ 780,617	$ 780,617	$ -	$ -
SHARED SERVICE AGREEMENTS						
Bayonne BOE -						
Garbage Removal Contract	-	4,167	4,167	4,167	-	-
Bayonne Housing Authority -						
Garbage/Dumpster	-	5,000	5,000	5,000	-	-
PUBLIC AND PRIVATE APPROPRIATIONS						
OFFSET BY REVENUES						
Matching Funds for Grants	28,809	-	28,809	-	-	28,809
	$ 2,729,324	$ 2,816,214	$ 5,545,538	$ 2,803,247	$ 22,823	$ 2,719,468
	A	A-16			A-17	A-1

Cash Disbursed	A-4	$ 1,959,997
Snow Reserves	A-14	82,510
Library Reserves	A-29	760,740
		$ 2,803,247

CITY OF BAYONNE **Exhibit A-16**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	Ref.	Total	Library	City
Balance: December 31, 2024	A	$ 2,816,214	$ 86,509	$ 2,729,705
Increased by:				
Current Year Appropriations	A-3	2,501,622	75,253	2,426,369
		5,317,836	161,762	5,156,074
Decreased by:				
Prior Year Budget Appropriation	A-15	2,816,214	86,509	2,729,705
Balance: December 31, 2025	A	$ 2,501,622	$ 75,253	$ 2,426,369

SCHEDULE OF CONTRACTS PAYABLE **Exhibit A-17**

	Ref.	Total	Library	City
Increased by:				
Void Checks	A-4	$ 78,156	$ -	$ 78,156
Appropriation Reserves	A-15	22,823	-	22,823
		100,979	-	100,979
Net Change		100,979	-	100,979
Balance: December 31, 2024	A	440,573	10,439	430,134
Balance: December 31, 2025	A	$ 541,552	$ 10,439	$ 531,113

CITY OF BAYONNE **Exhibit A-18**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF DUE FROM / TO STATE OF NEW JERSEY - SENIOR CITIZEN AND VETERAN DEDUCTIONS

	Ref.		
State Share of Deductions:			
Set Forth in Tax Duplicate:			
Senior Citizens		$ 22,750	
Veterans		120,500	
Allowed by Tax Collector		708	
			$ 143,958
Disallowed by Tax Collector			1,150
State Share of Deductions	A-2a, A-7		142,808
Add: Adjustment to Prior Year Balance	A-2b		3,621
			146,429
Less: Received in Cash from State of New Jersey	A-4		144,850
Net Change			1,579
Balance: December 31, 2024			
Due to State of New Jersey	A		1,125
Balance: December 31, 2025			
Due from State of New Jersey	A		$ 454

CITY OF BAYONNE **Exhibit A-19**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF PREPAID TAXES

	Ref.		
Balance: December 31, 2024	A		$ 877,545
Increased by:			
Cash Receipts	A-4		2,266,636
			3,144,181
Decreased by:			
Applied to Current Year Taxes Receivable	A-2a, A-7		877,545
Balance: December 31, 2025	A		$ 2,266,636

SCHEDULE OF TAX OVERPAYMENTS **Exhibit A-20**

	Ref.		
Balance: December 31, 2024	A		$ 4,172,660
Increased by:			
Cash Receipts - Current Year Tax	A-4		919,927
			5,092,587
Decreased by:			
Overpayments Applied - Current Taxes	A-2a	$ 3,225,435	
Cash Disbursements	A-4	944,035	
			4,169,470
Balance: December 31, 2025	A		$ 923,117

Analysis of Ending Balance	
2024 Taxes	$ 3,190
2025 Taxes	919,927
	$ 923,117

CITY OF BAYONNE **Exhibit A-21**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF BULK LEVY TAX SALE

	Ref.		
Balance: December 31, 2024	A		$ -
Increased by:			
Cash Receipts	A-4	$ 2,361,834	
Apply Deposit	A-24	50,000	
			2,411,834
Decreased by:			
Apply Premium to Non-budget Revenues	A-2b	206,000	
Apply Premium to Prepaid Tax Sale Cost	A-22	20,000	
Apply to Current Taxes Receivable	A-2a	2,185,834	
			2,411,834
Balance: December 31, 2025	A		$ -

SCHEDULE OF PREPAID TAX SALE COST **Exhibit A-22**

	Ref.	
Balance: December 31, 2024	A	$ 25,793
Increased by:		
Cash Receipts	A-21	20,000
		45,793
Decreased by:		
Return Excess Tax Sale Costs	A-4	9,982
Balance: December 31, 2025	A	$ 35,811

CITY OF BAYONNE **Exhibit A-23**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF DUE TO BULK LEVY PURCHASER

	Ref.		
Balance: December 31, 2024	A		$ -
Increased by:			
Cash Receipts	A-4		1,385,996
			1,385,996
Decreased by:			
Paid to Bulk Levy Purchaser	A-4		1,385,996
Balance: December 31, 2025	A		$ -

SCHEDULE OF DUE TO BULK LEVY SALE DEPOSITS **Exhibit A-24**

	Ref.		
Balance: December 31, 2024	A		$ -
Increased by:			
Cash Receipts	A-4		250,000
			250,000
Decreased by:			
Deposits Returned	A-4	$ 200,000	
Apply to Bid Purchaser Costs	A-21	50,000	
			250,000
Balance: December 31, 2025	A		$ -

CITY OF BAYONNE **Exhibit A-25**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF COUNTY PILOT FEES PAYABLE

	Ref.	Total	Bayonne Board of Education	County of Hudson
Balance: December 31, 2024	A	$ 975,090	$ 6,118	$ 968,972
Increased by:				
Cash Receipts	A-4	728,000	-	728,000
		1,703,090	6,118	1,696,972
Decreased by:				
Cash Disbursements	A-4	670,424	-	670,424
Balance: December 31, 2025	A	$ 1,032,666	$ 6,118	$ 1,026,548

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE **Exhibit A-26**

	Ref.		
Increased by:			
School Fiscal Year July 1, 2024 to June 30, 2025	A-2a	$ 76,259,424	
Prepaid School Tax Anticipated as Revenue Uncollected, Reclass as Revenue Accounts Receivable	A-11	1,437,219	
			$ 77,696,643
Decreased by:			
Cash Disbursements	A-4		76,259,424
Net Change in School Tax Payable / Prepaid			1,437,219
Balance: December 31, 2024			
School Tax Payable			-
School Tax Prepaid	A		1,437,219
Balance: December 31, 2025			
School Tax Payable			$ -
School Tax Prepaid	A		$ -
2025 Liability for Local District School Tax			
Tax Paid			$ 76,259,424
Tax payable at December 31, 2025			-
			76,259,424
Less: Tax payable at December 31, 2024			-
Amount Charged to 2025 Operations	A-1		$ 76,259,424

CITY OF BAYONNE **Exhibit A-27**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF COUNTY TAXES PAYABLE

	Ref.		
Balance: December 31, 2024	A		$ 51,993
Increased by:			
General County Taxes as Certified		$ 37,334,587	
Open Space Tax as Certified		1,097,994	
	A-1	38,432,581	
General County Taxes Added and Omitted	A-1	75,958	
	A-2a		38,508,539
			38,560,532
Decreased by:			
Cash Disbursements	A-4		38,484,574
Balance: December 31, 2025	A		$ 75,958

SCHEDULE OF SPECIAL IMPROVEMENT DISTRICT TAX PAYABLE **Exhibit A-28**

	Ref.	
Balance: December 31, 2024	A	$ 1,809,982
Increased by:		
2025 Levy	A-1, A-2a	275,474
		2,085,456
Decreased by:		
Cash Disbursements	A-4	8,086
Balance: December 31, 2025	A	$ 2,077,370

CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit A-29

SCHEDULE OF RESERVE FOR LIBRARY EXPENDITURES

	Balance Dec. 31, 2024	Increased by: Appropriation Reserves	Balance Dec. 31, 2025
Reserve for:			
Unexpended Budget Appropriations	$ 1,174,917	$ 760,740	$ 1,935,657
Library Capital Reserves	578,473	-	578,473
	$ 1,753,390	$ 760,740	$ 2,514,130
	A	A-15	A

SCHEDULE OF RESERVE FOR URBAN ENTERPRIZE ZONE FUNDS

Exhibit A-30

	Ref.	
Balance: December 31, 2024	A	$ 1,803,253
Increased by:		
Cash Receipts	A-4	10,205
		1,813,458
Decreased by:		
Cash Disbursements	A-4	252,201
Balance: December 31, 2025	A	$ 1,561,257

CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit A-31

SCHEDULE OF RESERVES FOR OTHER

	Balance Dec. 31, 2024	Increased by: Cash Receipts	Decreased by: Cash Disbursements	Balance Dec. 31, 2025
Reserve for:				
Credit Card Fees Due	$ 12,243	$ 8,236	$ 9,102	$ 11,377
Trap Neuter Release	5,769	-	-	5,769
	$ 18,012	$ 8,236	$ 9,102	$ 17,146
	A	A-4	A-4	A

CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit A-32

SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

Ordinance Number	Original Issuance Date	Original Issuance Amount	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2024	Notes Issued	Decreased by: Notes Refunded	Decreased by: Budget Appropriation	Balance Dec. 31, 2025
Contractual Severance Liabilities										
Series 2024 (Federally Taxable)										
O-24-53	11/26/2024	$ 4,000,000	11/26/2024	07/11/2025	4.750%	$ 4,000,000	$ -	$ 3,200,000	$ 800,000	$ -
Series 2025 B-2 Notes Issued through HCIA Pooled Note Program										
O-24-53	11/26/2024	$ 4,000,000	06/25/2025	06/24/2026	5.250%	-	3,200,000	-	-	3,200,000
Notes Issued through Private Sale to Township of Freehold										
O-25-63	10/15/2025	3,000,000	11/14/2025	06/24/2026	4.145%	-	3,000,000	-	-	3,000,000
						$ 4,000,000	$ 6,200,000	$ 3,200,000	$ 800,000	$ 6,200,000
					Ref.	A		Contra	A-4	A

Analysis of Notes Issued

Notes Renewed	Contra	$ 3,200,000
New Notes Issued	A-4	3,000,000
		$ 6,200,000

CITY OF BAYONNE
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	Balance Dec. 31, 2024	Current Year Awards: Original Budget	Current Year Awards: Added by NJSA 40A:4-87	Cash Receipts	Transfer from Unappropriated Reserve	Adjustments / Cancellation	Balance Dec. 31, 2025
2018 Municipal Aid Program	$ 89,440	$ -	$ -	$ -	$ -	$ -	$ 89,440
Municipal Aid Program	802,443	-	-	-	-	-	802,443
2023 Municipal Aid Program	203,813	-	-	-	-	-	203,813
NJDOT Municipal Aid (2025 Roadway Imp)	-	-	629,407	-	-	-	629,407
2018 Peer Grouping Grant	1,390	-	-	-	-	1,390	-
Peer Grouping Grant	2,090	-	-	-	-	2,090	-
Peer Grouping Grant - 2025	-	10,000	-	-	-	-	10,000
Congregate Meals FFCRA Grant	171,288	-	-	-	-	171,288	-
2021 Congregate Meals Program	473,658	-	-	118,683	-	354,975	-
DOT Paving Grant - FY 2012	300,061	-	-	-	-	-	300,061
DOT Pedestrian Bridge Grant	474,987	-	-	-	-	-	474,987
NJDOT Local Aid Grant	397,834	-	-	35,145	-	-	362,689
NJDOT Local Aid (2nd, 4th & W9th Streets)	-	-	800,000	-	-	-	800,000
2023 NJ DOT Set Aside Program	1,500,000	-	-	-	-	-	1,500,000
NJ DOT Local Transportation Grant	1,500,000	-	-	-	-	-	1,500,000
NJ DOT Local Transportation Project	800,000	-	-	-	-	-	800,000
NJ DOT Westside Walkway Improvement	500,000	-	-	-	-	-	500,000
Public Wastewater Facilities CSO Grant - Federal	76,921	-	-	-	-	(56,794)	133,715
Public Wastewater Facilities CSO Grant - State	56,794	-	-	-	-	56,794	-
Green Acres Grant Program	1,250,000	-	-	1,117,000	-	-	133,000
Hudson County Open Space Trust Fund	184,529	-	-	-	-	-	184,529
Municipal Alliance Grant	2,548	-	-	-	-	-	2,548
Municipal Alliance Grant 2025	-	-	19,921	19,921	-	-	-
Port Authority Grant	2,000,000	-	-	-	-	-	2,000,000
Safe Routes to Schools Program	300,000	-	-	-	-	300,000	-
Cooperative Marketing Grant	4,650	-	-	-	-	-	4,650
Custom Border Patrol - 2025	-	8,802	-	-	8,802	-	-
Recreation Opp. for Individuals with Disabilties	20,000	-	-	5,126	-	14,874	-
Local Recreation Improvement Grant	85,000	-	-	85,000	-	-	-
Body Armor Fund - 2025	-	13,455	-	-	13,454	1	-
State Local Housing Inspection Program	13,446	-	-	-	-	13,446	-
UASI Grant CY2019	12,755	-	-	-	-	12,755	-
Recycling Tonnage Grant - 2025	-	94,298	-	94,298	-	-	-
Clean Communities Grant	100,525	-	-	100,525	-	-	-
Clean Communities Grant - 2025	-	141,400	-	141,400	-	-	-
Pedestrian Safety Grant	2,005	-	-	-	-	2,005	-
Congregate Meals Program	519,429	-	-	263,336	-	-	256,093

CITY OF BAYONNE
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	Balance Dec. 31, 2024	Current Year Awards: Original Budget	Current Year Awards: Added by NJSA 40A:4-87	Cash Receipts	Transfer from Unappropriated Reserve	Adjustments / Cancellation	Balance Dec. 31, 2025
Congregate Meals Program	$ 353,917	$ -	$ -	$ -	$ -	$ 353,917	$ -
Congregate Meals Program - 2025	-	390,111	-	390,111	-	-	-
Drive Sober Holiday Crackdown	880	-	-	-	-	880	-
Drive Sober or Get Pulled Over	35	-	-	-	-	35	-
Drive Sober Or Get Pulled Over (Labor Day) - 2025	-	-	7,000	7,000	-	-	-
Drunk Driving Enforcement	-	10,505	-	10,050	-	-	455
NJ Division of Criminal Justice	-	20,500	-	-	-	-	20,500
NJ State Library-ARPA Capital Projects Fund -							
Community Center Digital: Connect Grant (Library)	-	-	206,698	-	206,698	-	-
Community Center Digital: Connect Grant (Library)	-	-	2,165,900	-	334,777	-	1,831,123
Local Freight Impact Fund (LFIF)	3,850,000	-	-	-	-	-	3,850,000
Local Freight Impact Fund (LFIF) - East 22nd Street	1,450,000	-	-	322,176	-	-	1,127,824
Lead Grant Assistance Program (LGAP)	-	138,400	-	-	138,400	-	-
Safe Streets Grant	6,225	-	-	-	-	6,225	-
Multi Park Green Acres Grant	1,000,000	-	-	449,631	-	550,369	-
Green Acres Program - ONRR Grant	900,013	-	-	-	-	-	900,013
FM Global Fire Prevention Grant	3,180	-	-	-	-	3,180	-
Families First Coronavirus Emergency Response	102,568	-	-	-	-	102,568	-
NJACCHO - COVID 19 Grant	15,729	-	-	-	-	15,729	-
Assistance to Firefighters Grant	87,832	-	-	-	-	37,553	50,279
Assistance to Firefighters Grant - 2025	-	-	63,636	-	-	-	63,636
Pedestrian Safety Grant	4,055	-	-	-	-	4,055	-
FY2020 Pedestrian Safety Grant	4,010	-	-	-	-	4,010	-
Recreation Opp. for Individuals with Disabilties	80,000	-	-	80,000	-	-	-
Local Freight Impact Fund (LFIF)	2,776,776	-	-	2,775,413	-	-	1,363
Older American Act of 1965 - FFCRA Grant	47,291	-	-	47,291	-	-	-
Older American Act of 1965	69,028	-	-	-	-	69,028	-
Older American Act of 1965 Title III	-	73,984	-	73,984	-	-	-
DOJ Coronavirus Emergency Response	51,793	-	-	-	-	-	51,793
FY2019 Bulletproof Vest Grant	5,514	-	-	-	-	5,514	-
FY2020 Bulletproof Vest Grant	7,985	-	-	-	-	7,985	-
FY2021 Bulletproof Vest Grant	2,255	-	-	-	-	2,255	-
Emergency Management Grant - 2025	-	10,000	-	-	10,000	-	-
ARP Assistance to Firefighters Grant	74,000	-	-	-	-	74,000	-
2023 Spotted Lanternfly Chemical Treatment	15,000	-	-	-	-	15,000	-
2023 Hudson County Farmer's Market Grant	1,820	-	-	-	-	1,820	-
FY2021 Body Worn Camera Grant	3,884	-	-	-	-	3,884	-

CITY OF BAYONNE
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	Balance Dec. 31, 2024	Current Year Awards: Original Budget	Current Year Awards: Added by NJSA 40A:4-87	Cash Receipts	Transfer from Unappropriated Reserve	Adjustments / Cancellation	Balance Dec. 31, 2025
2022 Strengthening Local Public Health Capacity	$ 291,042	$ -	$ -	$ -	$ -	$ 229,647	$ 61,395
2021 Strengthening Local Public Health Capacity	44,134	-	-	-	-	44,134	-
CAA Home Delivered Meals	62,902	-	-	20,207	-	42,695	-
Click it or Ticket	8,750	-	-	-	-	8,750	-
Click-It-or-Ticket - 2025 Seat Belt Mobilization	-	-	7,000	7,000	-	-	-
Veolia - Pipeline Access Easement	-	-	526,406	526,406	-	-	-
Veolia - Hydraulic Model Expansion	-	-	390,000	390,000	-	-	-
Office of New Americans Employment Program (EAAP)	-	-	6,000	6,000	-	-	-
RDA-LEG BP Bayonne (MOTBY)	-	-	500,000	-	-	-	500,000
RDA-LEG BP Bayonne (Port Term Blvd)	-	-	250,000	-	-	-	250,000
RDA - Lofts on Avenue E	-	-	189,254	-	-	-	189,254
RDA-17 Avenue E	-	-	82,500	82,500	-	-	-
Port Security Grant (Fire)	-	-	18,000	-	-	-	18,000
Justice Assistance Grant	33,878	-	-	-	-	33,878	-
Justice Assistance Grant	-	20,275	-	17,212	-	-	3,063
Justice Assistance Grant (2023)	-	19,424	-	-	-	-	19,424
HDRSF Grants	63,966	-	-	-	-	63,966	-
COPS Hiring Grant	466,169	-	-	466,169	-	-	-
Hudson County Open Space (HCOS) - Miriam Teresa	267,165	-	-	247,258	-	19,907	-
HCOS - 16th Street Mini Golf Course Imp.	-	-	750,000	-	-	-	750,000
HCOS - Improvements to Veterans Park	-	-	250,000	-	-	-	250,000
Historic Preservation Grants	22,500	-	-	18,730	-	3,770	-
National Opioids Setttlement Funds	-	609,306	367,594	367,594	609,306	-	-
Patrick Leahy Bulletproof Vest Grant	86,760	-	-	24,800	17,518	11,425	33,017
	$ 24,106,662	$ 1,560,460	$ 7,229,316	$ 8,309,966	$ 1,338,955	$ 2,589,003	$ 20,658,514
	A	A-36	A-36		A-35	A-34	A

Analysis of Current Year Awards		Analysis of Cash Receipts		
Grants per Original Budget	$ 1,560,460	$ 82,500	A-36	General Capital Fund
Grants Added by Chapter 159	7,229,316	8,227,466	A-4	Cash Receipts
Total Grant Awards	$ 8,789,776	$ 8,309,966		

CITY OF BAYONNE
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

	Balance: December 31, 2024		Current Year	Matching	Paid or	Transfer to	Reallocated	Balance: December 31, 2025	
	Reserved	Encumbered	Awards	Funds	Charged	Trust Fund	and Cancelled	Encumbered	Reserved
FEDERAL GRANTS									
Law Enforcement Block Grant II	$ 23,810	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,810
Law Enforcement Block Grant III	22,651	-	-	-	-	-	-	-	22,651
Law Enforcement Block Grant IX	49,918	-	-	-	-	-	-	-	49,918
Drive Sober Or Get Pulled Over	7,000	-	-	-	-	-	7,000	-	-
Drive Sober Or Get Pulled Over (Labor Day) 2025	-	-	7,000	-	-	-	-	-	7,000
Click it or Ticket (2023)	8,750	-	-	-	-	-	-	-	8,750
Click it or Ticket	8,750	-	-	-	-	-	-	-	8,750
Click it or Ticket (2025)	-	-	7,000	-	-	-	-	-	7,000
Cops Hiring Grant	39,225	-	-	-	39,225	-	-	-	-
Cops Hiring Grant 2025	-	-	-	1,587,166	768,835	-	-	-	818,331
Justice Assistance Grant - Match	4,320	-	-	-	-	-	4,320	-	-
Justice Assistance Grant	859	-	-	-	-	-	859	-	-
Justice Assistance Grant	84	-	-	-	-	-	-	-	84
Justice Assistance Grant 2025	-	-	20,275	-	20,275	-	-	-	-
Justice Assistance Grant 2025	-	-	19,424	-	-	-	-	-	19,424
JAG Memorial Grant	5,121	-	-	-	-	-	5,121	-	-
Bulletproof Vest Grant	1,908	-	-	-	-	-	1,908	-	-
Bulletproof Vest Grant	6,857	-	-	-	-	-	6,857	-	-
Bulletproof Vest Grant	43,230	-	-	-	-	-	-	-	43,230
Patrick Leahy Bulletproof Vest Grant	30,105	616	-	-	25,415	-	-	-	5,306
Assistance to Firefighters Grant - 2019	17	-	-	-	-	-	17	-	-
Assistance to Firefighters Grant - 2020	25	-	-	-	-	-	25	-	-
Assistance to Firefighters Grant - 2023	54	-	-	-	-	-	54	-	-
Assistance to Firefighters Grant - Matching	97	-	-	-	-	-	97	-	-
Assistance to Firefighters Grant - 2025	-	-	63,636	6,364	-	-	-	-	70,000
Federal Equitable Sharing:					-				
Drug Enforcement Agency	42,119	-	-	-	-	-	42,119	-	-
State Forfeiture Funds	-	-	20,500	-	20,500	-	-	-	-
Port Security Grant	6,354	-	-	-	-	-	6,354	-	-
Port Security Grant	24,205	-	-	-	-	-	3,144	-	21,061
Port Security Grant (Fire) 2025	-	-	18,000	-	-	-	-	-	18,000
Customs and Border Control	299	-	-	-	-	-	-	-	299
Customs and Border Control	35,899	-	-	-	9,620	-	-	-	26,279
Customs and Border Control - 2025	-	-	8,802	-	-	-	-	-	8,802
Hazardous Materials Emergency	11,400	-	-	-	-	-	11,400	-	-
US Dept of Commerce - EDA Grant					-				
Pedestrian Bridge	514,027	-	-	-	-	-	-	-	514,027
Safe Routes to School Program	287,812	-	-	-	-	-	287,812	-	-
Area Plan Grant - Older American Act - FFCRA	9,118	-	-	-	-	-	9,118	-	-
Area Plan Grant - Older American Act	3,358	-	-	-	(580)	-	3,938	-	-
Area Plan Grant - Older American Act	1,202	-	-	-	(449)	-	1,651	-	-
Area Plan Grant - Older American Act	61,425	-	-	-	-	-	61,425	-	-
Area Plan Grant - Older American Act	36,322	-	-	-	(345)	-	36,667	-	-
Area Plan Grant - Older American Act	6,677	7,960	-	-	12,853	-	-	-	1,784
Area Plan Grant - Older American Act - Matching	14,867	-	-	-	-	-	-	-	14,867

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

	Balance: December 31, 2024		Current Year	Matching	Paid or	Transfer to	Reallocated	Balance: December 31, 2025	
	Reserved	Encumbered	Awards	Funds	Charged	Trust Fund	and Cancelled	Encumbered	Reserved
FEDERAL GRANTS (continued)									
Area Plan Grant - Older American Act 2025	$ -	$ -	$ 73,984	$ 18,496	$ 29,852	$ -	$ -	$ -	$ 62,628
Urban Area Security Initiative Grant	52,939	-	-	-	-	-	-	-	52,939
Urban Area Security Initiative Grant	31,878	-	-	-	-	-	31,878	-	-
Urban Area Security Initiative Grant	24,865	-	-	-	-	-	-	-	24,865
Urban Area Security Initiative Grant	21,936	-	-	-	-	-	-	-	21,936
Congregate Meals Program	276,071	-	-	-	-	-	276,071	-	-
Congregate Meals Program - 2022	167,290	-	-	-	-	-	167,290	-	-
Congregate Meals Program - 2022 Matching	35,481	-	-	-	-	-	35,481	-	-
Congregate Meals Program - 2023	186,279	-	-	-	-	-	186,279	-	-
Congregate Meals Program - 2024	91,790	40,204	-	-	40,204	-	-	-	91,790
Congregate Meals Program - 2024 Matching	492	-	-	-	-	-	-	-	492
Congregate Meals Program - 2025	-	-	390,111	97,528	447,002	-	-	40,637	-
Congregate Meals Program - FFCRA	171,288	-	-	-	-	-	171,288	-	-
Peer Grouping Grant	7,895	-	-	-	-	-	3,480	-	4,415
Peer Grouping Grant - 2025	-	-	10,000	-	10,000	-	-	-	-
CAA Home Delivered Meals	22,067	-	-	-	-	-	22,067	-	-
Emergency Management Assistance	23	-	-	-	-	-	23	-	-
Emergency Management Assistance	10,000	-	-	-	-	-	-	-	10,000
Emergency Management Assistance - 2025		-	10,000	-	-	-	-	-	10,000
American Rescue Plan Firefighter Grant	-	74,000	-	-	-	-	74,000	-	-
American Rescue Plan Firefighter Grant - Match	8,740	-	-	-	-	-	8,740	-	-
Cares Grant - Hudson County	-	-	-	-	(449)	-	406	-	43
Families First Coronavirus Response Act	102,568	-	-	-	-	-	102,568	-	-
Total Federal Grants	2,519,467	122,780	648,732	1,709,554	1,421,958	-	1,569,457	40,637	1,968,481
STATE GRANTS									
Strengthening Local Public Health 2021	229,647	-	-	-	-	-	229,647	-	-
Strengthening Local Public Health 2021	26,591	-	-	-	-	-	26,591	-	-
Recreation Opp. for Individuals with Disabilties	14,874	-	-	-	-	-	14,874	-	-
Recreation Opp. for Individuals with Disabilties - 2022	20,000	-	-	-	-	-	-	-	20,000
Recreation Opp. for Individuals with Disabilties - 2023	20,000	-	-	-	-	-	-	-	20,000
Recreation Opp. for Individuals with Disabilties - Match	4,000	-	-	-	-	-	-	-	4,000
Recreation Opp. for Individuals with Disabilties - 2024	20,000	-	-	-	-	-	-	-	20,000
Recreation Opp. for Individuals with Disabilties - Match	4,000	-	-	-	-	-	-	-	4,000
Local Recreation Improvement (LRIG)	85,000	-	-	-	-	-	-	-	85,000
Body Armor Replacement Fund	315	-	-	-	-	-	315	-	-
Body Armor Replacement Fund	10,921	-	-	-	-	-	-	-	10,921
Body Armor Replacement Fund	882	-	-	-	-	-	882	-	-
Body Armor Replacement Fund	12,914	-	-	-	-	-	-	-	12,914
Body Armor Replacement Fund - 2025	-	-	13,455	-	-	-	-	-	13,455
Pedestrian Safety Enforcment and Education	6,370	-	-	-	-	-	6,370	-	-

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

	Balance: December 31, 2024		Current Year	Matching	Paid or	Transfer to	Reallocated	Balance: December 31, 2025	
	Reserved	Encumbered	Awards	Funds	Charged	Trust Fund	and Cancelled	Encumbered	Reserved
STATE GRANTS (continued)									
Drunk Driving Enforcement Fund	$ 170	$ 12,772	$ -	$ -	$ -	$ -	$ 12,942	$ -	$ -
Drunk Driving Enforcement Fund - 2025	-	-	10,505	-	-	-	-	-	10,505
Clean Communities Act	598	-	-	-	-	-	265	-	333
Clean Communities Act	-	-	-	-	-	-	(265)	-	265
Clean Communities Act - 2020	-	(4,425)	-	-	-	-	-	(4,425)	-
Clean Communities Act - 2025	-	-	141,400	-	141,400	-	-	-	-
Multi Park Green Acres Grant	183,497	-	-	-	-	-	-	-	183,497
Green Acres Grant Program	460,158	9,304	-	-	(80,907)	-	550,369	-	-
Green Acres Program - ONRR Grant	-	4,390	-	-	-	-	-	-	4,390
Department of Transportation:									
Safe Streets to Transit Program	41,297	-	-	-	-	-	41,297	-	-
Local Aid Pedestrian Bridge	22	38,636	-	-	-	-	-	-	38,658
Set Aside Program	1,500,000	-	-	-	-	-	-	-	1,500,000
Local Transportation Grant	1,500,000	-	-	-	-	-	-	-	1,500,000
Local Transportation Grant	800,000	-	-	-	-	-	-	-	800,000
Westside Walkway Improvement	500,000	-	-	-	-	-	-	-	500,000
Local Aid (2nd, 4th & W9th Streets)	-	-	800,000	-	-	-	-	-	800,000
Municipal Aid Program 2016	31,702	-	-	-	-	-	-	-	31,702
Municipal Aid Program 2017	9,091	-	-	-	-	-	-	-	9,091
Municipal Aid Program 2018	97,841	-	-	-	-	-	-	-	97,841
Municipal Aid Program 2019	-	69,562	-	-	-	-	-	-	69,562
Municipal Aid Program 2022	802,443	-	-	-	-	-	-	-	802,443
Municipal Aid Program 2023	189,647	-	-	-	-	-	-	-	189,647
Municipal Aid Program 2025 (Roadway Improvement)	-	-	629,407	-	-	-	-	-	629,407
Recycling Tonnage Grant 2025	-	-	94,298	-	94,298	-	-	-	-
Lead Grant Assistance Program (LGAP)	-	-	138,400	-	-	-	-	-	138,400
Local Freight Impact Fund (LFIF)	3,714,196	-	-	-	-	-	-	-	3,714,196
Local Freight Impact Fund (LFIF) - Peninsula Harbor	149,450	230,605	-	-	72,884	-	-	230,605	76,566
Local Freight Impact Fund (LFIF) - E. 22nd Street	483,744	-	-	-	-	-	-	-	483,744
Cooperative Marketing Grant	9,300	-	-	-	-	-	-	-	9,300
Hazardous Discharges Site Remediation Fund	52,566	-	-	-	-	-	52,566	-	-
Body Worn Camera Grant	789	-	-	-	-	-	789	-	-
UEZ Assistance Fund - 2024 OE	-	325,926	-	-	-	325,926	-	-	-
2022 Historic Preservation Grant	4,527	-	-	-	-	-	3,768	-	759
2022 Historic Preservation Grant - Matching	499	-	-	-	-	-	-	-	499
Spotted Lanternfly Chemical Treatment	15,000	-	-	-	-	-	15,000	-	-
Stormwater Assistance Grant	15,000	-	-	-	-	-	15,000	-	-
Homeland Security - Public Safety Answering Point	288,328	-	-	-	119,495	-	-	168,833	-
Municipal Alliance Grant	47,064	-	-	-	-	-	-	-	47,064
Municipal Alliance Grant 2025	-	-	19,921	4,980	-	-	-	-	24,901
Office of New American - EAAP	-	-	6,000	-	-	-	-	-	6,000
NJ State Library-ARPA Capital Projects Fund - Comm. Center Digital-Connect Grant (Library)	-	-	2,372,598	-	101,650	-	-	-	2,270,948

CITY OF BAYONNE
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

	Balance: December 31, 2024		Current Year	Matching	Paid or	Transfer to	Reallocated	Balance: December 31, 2025	
	Reserved	Encumbered	Awards	Funds	Charged	Trust Fund	and Cancelled	Encumbered	Reserved
Local and Private Grants:									
First Responders Children's Foundation	$ 901	$ -	$ -	$ -	$ -	$ -	$ 901	$ -	$ -
FM Global Fire Prevention Grant	3,180	-	-	-	-	-	3,180	-	-
NACCHO COVID-19 Grant	15,116	-	-	-	-	-	15,116	-	-
Port Authority Grant-Relocate Certain Parks	-	435,763	-	-	435,763	-	-	-	-
Bayview Feral Cat Colony Grant	2,160	-	-	-	-	-	2,160	-	-
Guardian Foundation - Police Canine	4,000	-	-	-	-	-	4,000	-	-
Target Corp Grant	1,000	-	-	-	-	-	1,000	-	-
Veolia - Pipeline Access Easement	-	-	526,406	-	15,000	-	-	-	511,406
Veolia - Hydraulic Model Expansion	-	-	390,000	-	212,979	-	-	177,021	-
National Opioid Setttlement Funds	748,519	-	-	-	374,832	-	-	87,098	286,589
National Opioid Setttlement Funds 2025	-	-	976,900	-	-	-	-	-	976,900
Regional Development Agreement									
LEG BP Bayonne (MOTBY)	-	-	500,000	-	-	-	-	-	500,000
LEG BP Bayonne (Port Term Blvd)	-	-	250,000	-	-	-	-	-	250,000
Lofts on Avenue E	-	-	189,254	-	-	-	-	-	189,254
17 Avenue E	-	-	82,500	-	-	-	-	-	82,500
Hudson County Open Space:									
Open Space Grant - 28th Street Park	125,000	-	-	-	-	-	-	-	125,000
Open Space Trust Fund	3,926	-	-	-	-	-	-	-	3,926
Open Space Trust Fund - Museum	70,998	-	-	-	-	-	-	-	70,998
16th Street Mini Golf Course Improvements	-	-	750,000	-	-	-	-	-	750,000
Improvements to Veterans Park	-	-	250,000	-	-	-	-	-	250,000
Sr. Miriam Teresa Park	15,910	3,997	-	-	-	-	19,907	-	-
County of Hudson - Police Forfeiture Funds	1,052	-	-	-	-	-	1,052	-	-
Hudson County Farmer's Market Grant	1,820	-	-	-	-	-	1,820	-	-
Total State and Local Grants	12,346,025	1,126,530	8,141,044	4,980	1,487,394	325,926	1,019,546	659,132	18,126,581
	$ 14,865,492	$ 1,249,310	$ 8,789,776	$ 1,714,534	$ 2,909,352	$ 325,926	$ 2,589,003	$ 699,769	$ 20,095,062
	A	A	A-36	A-36		A-36	A-33	A	A

Cash Disbursements	A-4	$ 3,064,259
Less: Reclass from Capital	A-36	154,907
		$ 2,909,352

CITY OF BAYONNE **Exhibit A-35**
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

	Balance Dec. 31, 2024	Increased by: Cash Receipts	Decreased by: Amount Budgeted	Balance Dec. 31, 2025
Drunk Driving Enforcement Grant	$ -	$ 12,250	$ -	$ 12,250
Body Armor Fund	13,454	-	13,454	-
Bulletproof Vest Program	17,518	-	17,518	-
ROID Grant	-	13,432	-	13,432
Body Worn Camera	-	3,095	-	3,095
Custom Border Patrol	8,802	33,066	8,802	33,066
Drive Sober or Get Pulled Over	6,160	8,470	-	14,630
Drive Sober or Get Pulled Over - Labor Day	6,580	-	-	6,580
Emergency Management Grant	10,000	-	10,000	-
Lead Grant Assistance Program ("LGAP")	138,400	-	138,400	-
Municipal Alliance Grant	-	27,143	-	27,143
Older American Act of 1965	27,808	-	-	27,808
Opioid Settlement Funds	609,306	2,356	609,306	2,356
UASI Fire Dept.	27,286	-	-	27,286
American Rescue Plan Act Capital Projects Fund:				
Community Center Digital Connect Grant - Library Program Funds	541,475	-	541,475	-
Interest on Grant Deposits	106	484	-	590
	$ 1,406,896	$ 100,296	$ 1,338,955	$ 168,236
	A	A-4	A-33	A

CITY OF BAYONNE **Exhibit A-36**
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF INTERFUNDS

	Ref.	Total	Other Trust	General Capital Fund	Current Fund
Increased by:					
Cash Disbursements	A-4	$ 9,530,347	$ 661,454	$ 55,095	$ 8,813,798
Appropriated Grants Received	A-33	82,500	-	82,500	-
Grant Awards	A-34	8,789,776	-	-	8,789,776
Appropriated Grants Matching	A-34	1,714,534	-	-	1,714,534
Reclass Grants Expenditures	A-34	154,907	-	154,907	-
		20,272,064	661,454	292,502	19,318,108
Decreased by:					
Cash Receipts - Interest	A-4	24,022	-	-	24,022
Cash Receipts	A-4	2,325,179	-	292,502	2,032,677
Grant Awards: Adopted Budget	A-33	1,560,460	-	-	1,560,460
Grant Awards: Added by NJSA 40A:4-87	A-33	7,229,316	-	-	7,229,316
Establish UEZ Reserves in Trust Fund	A-34	325,926	325,926	-	-
		11,464,903	325,926	292,502	10,846,475
Net Change in Interfunds		8,807,161	335,528	-	8,471,633
Balance: December 31, 2024					
Interfunds Payable	A	9,311,951	335,528	-	8,976,423
Balance: December 31, 2025					
Interfunds Payable	A	$ 504,790	$ -	$ -	$ 504,790

CITY OF BAYONNE
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF CASH AND CASH EQUIVALENTS

		Animal Control	Insurance	Tax Lien Redemption	Housing & Urban Development Grant Fund	Other	Redevelopment Escrow	Payroll Agency
Cash Receipts:								
Interfunds								
Insurance Trust	B-9	$ -	$ 41,749	$ -	$ -	$ -	$ -	$ -
Animal Control Interest	B-5	6	-	-	-	-	-	-
Animal Control	B-5	9,247	-	-	-	-	-	-
Tax Lien Redemption Interest	B-11	-	-	5,467	-	-	-	-
Tax Lien Redemptions	B-11	-	-	2,623,398	-	-	-	-
Other Trust	B-19	-	-	-	-	417,513	-	-
Payroll Deductions	B-30	-	-	-	-	-	-	90,537,596
UEZ Grant Receipts	B-21	-	-	-	-	239,311	-	-
Library Receipts	B-22	-	-	-	-	48,624	-	-
Surcharges Due to State	B-24	-	-	-	-	129,332	-	-
Maintenance/Cash Performance Bonds								
Deposits	B-20	-	-	-	-	832,850	-	-
Interest earned	B-20	-	-	-	-	8,513	-	-
Reserves and Special Deposits	B-25	-	-	-	-	8,464,762	-	-
Interest on Special Deposits	B-25	-	-	-	-	13,002	-	-
Developers Escrow	B-27	-	-	-	-	-	985,158	-
Tax Lien Redemptions - Voids	B-10	-	-	170	-	-	-	-
Grants Receivable	B-12	-	-	-	1,515,636	-	-	-
Program Income	B-16	-	-	-	119,924	-	-	-
Community Development Interest	B-16	-	-	-	35,175	-	-	-
Dog License Fees Collected	B-4	6,561	-	-	-	-	-	-
Other Animal Collections	B-4	40	-	-	-	-	-	-
		15,854	41,749	2,629,035	1,670,735	10,153,907	985,158	90,537,596

SCHEDULE OF CASH AND CASH EQUIVALENTS

		Animal Control	Insurance	Tax Lien Redemption	Housing & Urban Development Grant Fund	Other	Redevelopment Escrow	Payroll Agency
Cash Disbursements:								
Surcharges Due to State								
Other Trust Fund	B-24	$ -	$ -	$ -	$ -	$ 107,048	$ -	$ -
Reserve for Library	B-22	-	-	-	-	17,500	-	-
Reserves and Special Deposits	B-25	-	-	-	-	8,943,950	-	-
Payroll Deductions	B-29	-	-	-	-	-	-	90,514,437
Disbursed to Lienholder	B-10	-	-	3,238,899	-	-	-	-
Bond Deposits Paid	B-20	-	-	-	-	637,047	-	-
UEZ Expenditures	B-21	-	-	-	-	849,080	-	-
Interfunds:								
Tax Lien Redemption	B-11	-	-	5,467	-	-	-	-
HUD Grants	B-15	-	-	-	1,534,305	-	-	-
Other Trust	B-19	-	-	-	-	4,289	-	-
Animal Control	B-5	9,696	-	-	-	-	-	-
Insurance	B-9	-	58,397	-	-	-	-	-
Redevelopment Escrow	B-28	-	-	-	-	-	35,280	-
Developers Escrow	B-27	-	-	-	-	-	1,327,333	-
Insurance Expenditures	B-8	-	48	-	-	-	-	-
		9,696	58,445	3,244,366	1,534,305	10,558,914	1,362,613	90,514,437
Net Change in Cash		6,158	(16,696)	(615,331)	136,430	(405,007)	(377,455)	23,159
Balance: December 31, 2024	B	9,408	649,670	781,578	1,907	31,970,289	1,327,538	1,085,231
Balance: December 31, 2025	B	$ 15,566	$ 632,974	$ 166,247	$ 138,337	$ 31,565,282	$ 950,083	$ 1,108,390

CITY OF BAYONNE **Exhibit B-3**
TRUST FUNDS - ANIMAL CONTROL TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF DUE TO STATE OF NEW JERSEY - DOG LICENSE FEES

	Ref.		
Balance: December 31, 2024	B		$ 217
Increased by State License Fees Collected:			
Registration Fee		$ 456	
Pilot Clinic Fund		91	
Population Control Fund		402	
	B-5		949
			1,166
Decreased by:			
Cash Disbursed by Current Fund	B-5		1,150
Balance: December 31, 2025	B		$ 16

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES **Exhibit B-4**

	Ref.		
Balance: December 31, 2024	B		$ 6,597
Increased by:			
Dog License Fees Collected	B-2	$ 6,561	
Other Collections	B-2	40	
Encumbrances	B-7	1,566	
			8,167
			14,764
Decreased by:			
Cash Disbursed by Current Fund	B-5	1,903	
Encumbrances	B-7	503	
			2,406
Balance: December 31, 2025	B		$ 12,358

License Fees Collected	Amount
Year Ended December 31, 2024	$ 8,953
Year Ended December 31, 2023	9,815
Maximum Allowable Reserve	$ 18,768

CITY OF BAYONNE **Exhibit B-5**
TRUST FUNDS - ANIMAL CONTROL TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF INTERFUNDS

	Ref.	Total	Due from Other Trust	Due to Current Fund
Increased by:				
Cash Disbursements	B-2	$ 9,696	$ 7,570	$ 2,126
Fees Collected by Other Funds				
State Fees	B-3	949	-	949
		10,645	7,570	3,075
Decreased by:				
State Dog Fees Paid by Current Fund	B-3	1,150	-	1,150
Expenditures Paid by Current Fund	B-4	1,903	-	1,903
Cash Receipts	B-2	9,247	9,231	16
Interest Earned	B-2	6	-	6
		12,306	9,231	3,075
Net Change		(1,661)	(1,661)	-
Balance: December 31, 2024				
Interfunds Receivable	B	1,661	1,661	-
Balance: December 31, 2025	B	$ -	$ -	$ -

SCHEDULE OF RESERVE FOR FERAL CAT DONATION **Exhibit B-6**

	Ref.	
Balance: December 31, 2025 and 2024	B	$ 2,689

CITY OF BAYONNE **Exhibit B-7**
TRUST FUNDS - ANIMAL CONTROL TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF ENCUMBRANCES

	Ref.		
Balance: December 31, 2024	B	$	1,566
Increased by State License Fees Collected:			
Reserves for Expenditures	B-4		503
			2,069
Decreased by:			
Cancelled Purchase Orders	B-4		1,566
Balance: December 31, 2025	B	$	503

CITY OF BAYONNE **Exhibit B-8**
TRUST FUNDS - INSURANCE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR INSURANCE EXPENDITURES

	Balance: Dec. 31, 2024	Interfunds	Cash Disbursements	Cancelled to Current Fund	Balance: Dec. 31, 2025
Disability	$ 50,648	$ 1,335	$ -	$ 51,983	$ -
Unemployment Insurance	604,022	29,000	48	-	632,974
	$ 654,670	$ 30,335	$ 48	$ 51,983	$ 632,974
	B		B-2	B-9	B
Current Fund	B-9	$ 24,000			
Parking Utility Operating	B-9	5,000			
Payroll Agency	B-9	1,335			
		$ 30,335			

CITY OF BAYONNE **Exhibit B-9**
TRUST FUNDS - INSURANCE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF INTERFUNDS

	Ref.	Total	Payroll Agency	Parking Utility Operating Fund	Current Fund
Increased by:					
Unemployment Appropriation from Curent Fund	B-8	$ 24,000	$ -	$ -	$ 24,000
Due from Payroll Clearing Fund	B-8	1,335	1,335	-	-
Unemployment Appropriation from Parking Utility	B-8	5,000	-	5,000	-
Cash Disbursements	B-2	58,397	-	-	58,397
		88,732	1,335	5,000	82,397
Decreased by:					
Cash Receipts - Interest		6,414	-	-	6,414
Cash Receipts - Appropriations		35,335	1,335	10,000	24,000
	B-2	41,749	1,335	10,000	30,414
Canceleld to Current Fund Operations	B-8	51,983	-	-	51,983
		93,732	1,335	10,000	82,397
Net Change in Interfund		(5,000)	-	(5,000)	-
Balance: December 31, 2024					
Interfunds Receivable	B	5,000	-	5,000	-
Balance: December 31, 2025		$ -	$ -	$ -	$ -

CITY OF BAYONNE **Exhibit B-10**
TRUST FUNDS - TAX LIEN REDEMPTION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR TAX LIEN REDEMPTION

	Ref.		
Balance: December 31, 2024	B		$ 781,578
Increased by:			
Voided Checks	B-2	$ 170	
Redemptions Collected by Current Fund	B-11	2,623,398	
			2,623,568
			3,405,146
Decreased by:			
Disbursements to Lienholder	B-2		3,238,899
Balance: December 31, 2025	B		$ 166,247

SCHEDULE OF INTERFUNDS **Exhibit B-11**

	Ref.		Current Fund
Balance: December 31, 2024	B		$ -
Increased by:			
Interest Received	B-2	$ 5,467	
Cash Receipts	B-2	2,623,398	
			2,628,865
			2,628,865
Decreased by:			
Cash Disbursements	B-2	5,467	
Redemptions Collected by Current Fund	B-10	2,623,398	
			2,628,865
Balance: December 31, 2025	B		$ -

CITY OF BAYONNE **Exhibit B-12**
TRUST FUNDS - HOUSING AND URBAN DEVELOPMENT GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF GRANTS RECEIVABLE

	Ref.	
Balance: December 31, 2024	B	$ 2,261,260
Increased by Grant Awards:		
Entitlement Funding	B-16	1,364,019
		3,625,279
Decreased by:		
Cash Receipts	B-2	1,515,636
Balance: December 31, 2025	B	$ 2,109,643

SCHEDULE OF RESERVE FOR INTEREST ON FEDERAL DRAWDOWNS **Exhibit B-13**

	Ref.	
Balance: December 31, 2024	B	$ 4,075
Increased by		
Interest Earned	B-16	31,926
Balance: December 31, 2025	B	$ 36,001

CITY OF BAYONNE **Exhibit B-14**
TRUST FUNDS - HOUSING AND URBAN DEVELOPMENT GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF ENCUMBRANCES

	Ref.	
Balance: December 31, 2024	B	$ 802,915
Increased by:		
Grant Reserves Encumbered	B-16	420,803
		1,223,718
Decreased by:		
Add Back to Grant Reserves	B-16	802,915
Balance: December 31, 2025	B	$ 420,803

SCHEDULE OF INTERFUNDS **Exhibit B-15**

	Ref.	Current Fund
Increased by:		
Cash Disbursements	B-2	$ 1,534,305
Decreased by:		
Reserve for Grant Expenditures	B-16	1,534,305
Net Change in Interfunds		-
Balance: December 31, 2024	B	-
Balance: December 31, 2025	B	$ -

CITY OF BAYONNE **Exhibit B-16**
TRUST FUNDS - HOUSING AND URBAN DEVELOPMENT GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR GRANT EXPENDITURES

	Ref.	Total	Program Income	Entitlement Reserves
Increased by:				
Program Income	B-2	$ 119,924	$ 119,924	$ -
Interest	B-2	35,175	2,749	32,426
Grant Awards: Entitlement Funding	B-12	1,364,019	-	1,364,019
Encumbrances	B-14	802,915	-	802,915
		2,322,033	122,673	2,199,360
Decreased by:				
Expenditures Paid by Current Fund	B-15	1,534,305	-	1,534,305
Interest Due to HUD	B-13	31,926	-	31,926
Encumbrances	B-14	420,803	-	420,803
		1,987,034	-	1,987,034
Net Change in Interfunds		334,999	122,673	212,326
Balance: December 31, 2024	B	1,456,177	102,454	1,353,723
Balance: December 31, 2025	B	$ 1,791,176	$ 225,127	$ 1,566,049

CITY OF BAYONNE **Exhibit B-17**
TRUST FUNDS - OTHER TRUST
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF URBAN ENTERPRISE ZONE GRANTS RECEIVABLE

	Ref.	
Balance: December 31, 2025 and 2024	B	$ 2,592,235

SCHEDULE OF DEFERRED CHARGES **Exhibit B-18**

	Ref.	
Balance: December 31, 2024	B	$ -
Increased by:		
Overexpenditures		
Reserves and Special Deposits	B-25	438,269
Balance: December 31, 2025	B	$ 438,269

CITY OF BAYONNE
TRUST FUNDS - OTHER TRUST
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit B-19

SCHEDULE OF INTERFUNDS

	Ref.	Total	Federal and State Grants Fund	Redevelopment Escrow	Payroll Deduction Trust	Animal Control	Current Fund
Increased by:							
Cash Disbursements	B-2	$ 4,289	$ -	$ -	$ 2,628	$ 1,661	$ -
Current Fund Appropriations:							
Storm Recovery Reserves	B-25	82,510	-	-	-	-	82,510
		86,799	-	-	2,628	1,661	82,510
Decreased by:							
Cash Receipts	B-2	417,513	335,528	-	-	-	81,985
Reimbursements to Other Funds	B-20	2,570	-	2,570	-	-	-
Anticipated as Current Fund Revenue							
Interest Earned	B-25	93	-	-	-	-	93
Interest Earned	B-20	1,663	-	-	-	-	1,663
		421,839	335,528	2,570	-	-	83,741
Net Change in Interfunds		(335,040)	(335,528)	(2,570)	2,628	1,661	(1,231)
Balance: December 31, 2024							
Interfunds Receivable	B	336,759	335,528	-	-	-	1,231
Interfunds Payable	B	4,289	-	-	2,628	1,661	-
Balance: December 31, 2025							
Interfunds Payable	B	$ 2,570	$ -	$ 2,570	$ -	$ -	$ -

CITY OF BAYONNE **Exhibit B-20**
TRUST FUNDS - OTHER TRUST
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF MAINTENANCE AND CASH PERFORMANCE BOND DEPOSITS

	Ref.		
Balance: December 31, 2024	B		$ 5,070,358
Increased by:			
Deposits	B-2	$ 832,850	
Interest Earned	B-2	8,513	
Deferred Charges - Overexpenditures	B-1	18	
Encumbered	B-23	41,676	
			883,057
			5,953,415
Decreased by:			
Expenditures	B-2	637,047	
City Share of Interest	B-19	1,663	
Due to Redevelopment Escrow Fund	B-19	2,570	
Cancelled	B-1	326,104	
Encumbered	B-23	43,528	
			1,010,912
Balance: December 31, 2025	B		$ 4,942,503

SCHEDULE OF RESERVE FOR URBAN ENTERPRISE ZONE EXPENDITURES **Exhibit B-21**

	Ref.	
Balance: December 31, 2024	B	$ 2,862,403
Increased by:		
Deposits	B-2	239,311
		3,101,714
Decreased by:		
Expenditures	B-2	849,080
Balance: December 31, 2025	B	$ 2,252,634

CITY OF BAYONNE
TRUST FUNDS - OTHER TRUST
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit B-22

SCHEDULE OF RESERVE FOR LIBRARY

	Ref.	Total	Library Fines and Fees	State Library Aid
Increased by:				
Cash Receipts	B-2	$ 48,624	$ 9,806	$ 38,818
Decreased by:				
Reimburse Current Fund	B-2	17,500	17,500	-
Net Change in Reserves		31,124	(7,694)	38,818
Balance: December 31, 2024	B	224,769	61,045	163,724
Balance: December 31, 2025	B	$ 255,893	$ 53,351	$ 202,542

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Exhibit B-23

	Ref.		
Balance: December 31, 2024	B		$ 309,092
Increased by:			
Reserves and Special Deposits	B-25	$ 539,406	
Due to State of New Jersey	B-24	25,096	
Maintenance and Cash Performance Bond Deposits	B-20	43,528	
			608,030
			917,122
Decreased by:			
Reserves and Special Deposits	B-25	267,416	
Maintenance and Cash Performance Bond Deposits	B-20	41,676	
			309,092
Balance: December 31, 2025	B		$ 608,030

CITY OF BAYONNE **Exhibit B-24**
TRUST FUNDS - OTHER TRUST
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF DUE TO STATE OF NEW JERSEY

	Ref.	Total	Marriage Licenses	DCA Fees
Increased by:				
Cash Receipts	B-2	$ 129,332	$ 15,022	$ 114,310
Decreased by:				
Reserve for Encumbrances	B-23	25,096	-	25,096
Cash Disbursements	B-2	107,048	-	107,048
		132,144	-	132,144
Net Change		(2,812)	15,022	(17,834)
Balance: December 31, 2024	B	309,698	37,518	272,180
Balance: December 31, 2025	B	$ 306,886	$ 52,540	$ 254,346

CITY OF BAYONNE
TRUST FUNDS - OTHER TRUST
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit B-25

SCHEDULE OF RESERVES AND SPECIAL DEPOSITS

	Balance: December 31, 2024		Increased by:				Decreased by:			Balance: December 31, 2025	
	Reserved	Encumbered	Deposits	Interest	Deferred Charges	Interfunds	Disbursements	Interfunds	Canceled	Encumbered	Reserved
Storm Recovery Fund	$ 379,087	$ -	$ -	$ -	$ -	$ 82,510	$ 27,306	$ -	$ -	$ -	$ 434,291
Accumulated Absences	1,265,702	-	-	-	-	-	-	-	-	-	1,265,702
Recycling Program	358,016	85,143	137,076	-	-	-	247,604	-	-	121,859	210,772
Off Duty Police	(55,834)	-	3,692,894	-	437,943	-	4,075,003	-	-	-	-
Building Fines	(326)	-	-	-	326	-	-	-	-	-	-
Tree Replacement program	113,710	-	25,752	-	-	-	15,130	-	-	-	124,332
Contribution-Older American	190,556	6,413	128,468	-	-	-	55,071	-	-	82	270,284
Law Enforcement Trust Fund	33,312	-	12,695	16	-	-	11,820	-	-	-	34,203
Planning and Zoning Board Escrow	1,613,225	-	788,399	100	-	-	946,946	93	-	14,845	1,439,840
UCC Dedication by Rider	6,268,423	69,882	1,937,212	-	-	-	2,059,602	-	-	95,969	6,119,946
Affordable Housing Trust	14,254,748	8,923	692,028	1,515	-	-	385,773	-	-	218,699	14,352,742
Fire Prevention Dedication Penalty	44,833	62,883	68,264	-	-	-	62,883	-	-	59,909	53,188
Reserve for POAA	311,108	-	148,928	-	-	-	101,525	-	-	-	358,511
FSA Flex	30,306	-	66,930	569	-	-	65,107	-	-	-	32,698
Chapter 25th Street/Sidewalk	192,500	-	6,500	-	-	-	16,500	-	-	-	182,500
Police Auction Funds	204,051	6,569	210,986	-	-	-	249,947	-	-	23,981	147,678
Fire Auction Funds	-	15,411	-	-	-	-	15,411	-	-	-	-
Building Permits	-	-	150	-	-	-	-	-	150	-	-
Fire Prevention Penalties	11,809	2,703	60,764	-	-	-	2,704	-	-	-	72,572
Recreation	442,359	9,489	430,602	-	-	-	591,961	-	-	4,062	286,427
Gifts and Bequests	29,864	-	-	-	-	-	-	-	-	-	29,864
Poster Contest	3,623	-	1,040	-	-	-	-	-	-	-	4,663
Police Forfeiture Funds	238,348	-	97,424	10,802	-	-	13,657	-	-	-	332,917
Fitzpatrick Park Bells	189,254	-	-	-	-	-	-	-	-	-	189,254
	$ 26,118,674	$ 267,416	$ 8,506,112	$ 13,002	$ 438,269	$ 82,510	$ 8,943,950	$ 93	$ 150	$ 539,406	25,942,384
	B	B-23		B-2	B-18	B-19	B-2	B-19	B-1	B-23	B

B-1	$ 41,350
B-2	8,464,762
	$ 8,506,112

CITY OF BAYONNE **Exhibit B-26**
TRUST FUNDS - REDEVELOPMENT ESCROW TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF ENCUMBRANCES

	Ref.		
Balance: December 31, 2024	B		$ 16,740
Increased by:			
Encumbered at Year End	B-27		1,417
			18,157
Decreased by:			
Developers Escrow	B-27		16,740
Balance: December 31, 2025	B		$ 1,417

SCHEDULE OF RESERVE FOR REDEVELOPMENT ESCROW **Exhibit B-27**

	Ref.		
Balance: December 31, 2024	B		$ 1,275,518
Increased by Charges to Reserve for:			
Encumbrances	B-26	$ 16,740	
Due from Other Trust	B-28	2,570	
Cash Receipts	B-2	985,158	
			1,004,468
			2,279,986
Decreased by:			
Encumbered	B-26	1,417	
Cash Disbursements	B-2	1,327,333	
			1,328,750
Balance: December 31, 2025	B		$ 951,236

CITY OF BAYONNE **Exhibit B-28**
TRUST FUNDS - REDEVELOPMENT ESCROW TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF INTERFUNDS

	Ref.	Total	Other Trust Fund	Current Fund
Increased by:				
Cash Disbursements	B-2	$ 35,280	$ -	$ 35,280
Allocate to Funds	B-27	2,570	2,570	-
		37,850	2,570	35,280
Net Change in Interfunds		37,850	2,570	35,280
Balance: December 31, 2024				
Interfunds Payable	B	35,280	-	35,280
Balance: December 31, 2025				
Interfunds Receivable	B	$ 2,570	$ 2,570	$ -

CITY OF BAYONNE **Exhibit B-29**
TRUST FUND - PAYROLL CLEARING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

	Ref.		
Balance: December 31, 2024	B	$	1,088,494
Increased by:			
Interfund - Current Fund	B-30		90,534,333
			91,622,827
Decreased by:			
Cash Disbursements	B-2		90,514,437
Balance: December 31, 2025	B	$	1,108,390

CITY OF BAYONNE **Exhibit B-30**
TRUST FUND - PAYROLL CLEARING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF INTERFUNDS

	Ref.	Total	Other Trust	Current Fund
Increased by:				
Reserve for Payroll Deductions	B-29	$ 90,534,333	$ -	$ 90,534,333
Decreased by:				
Cash Receipts	B-2	90,537,596	2,628	90,534,968
Net Change in Interfund		(3,263)	(2,628)	(635)
Balance: December 31, 2024				
Interfunds Receivable	B	3,263	2,628	635
Balance: December 31, 2025	B	$ -	$ -	$ -

CITY OF BAYONNE **Exhibit C-2**
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF CASH - TREASURER

	Ref.		
Balance: December 31, 2024			
Unrestricted		$ 11,869,298	
Restricted		208,558	
	C; C-3		$ 12,077,856
Cash Receipts:			
Bond Anticipation Notes Issued	C-3; C-18	6,000,000	
NJIB Loan Receivable	C-15a	311,581	
Interfund Transfers	C-9	326,826	
Reserve for Capital Improvements	C-20	205,400	
Grants Receivable	C-6a	1,689,223	
	C-3		8,533,030
			20,610,886
Cash Disbursements:			
Interfund Transfers	C-9		14,703,769
Balance: December 31, 2025			
Unrestricted		11,869,298	
Restricted		208,558	
	C; C-3		$ 5,907,117

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-3

ANALYSIS OF CASH AND INVESTMENTS

	Balance Dec. 31, 2024	Cash Receipts	Disbursements: Improvement Authorizations	Disbursements: Cash Disbursements	Transfers From	Transfers To	Balance, Dec. 31, 2025
Capital Improvement Fund	$ 286,853	$ -	$ -	$ -	$ 154,800	$ 154,800	$ 286,853
Due to (from) Current Fund	545,095	326,826	-	1,407,461	326,826	862,366	-
Due to (from) Water and Sewer Utility Capital Fund	-	-	-	545,500	-	-	(545,500)
NJIB Loan Receivable	-	-	-	-	630,196	-	(630,196)
Grants Receivable (without reserves)	(6,186,133)	-	-	-	500,000	-	(6,686,133)
Contracts Payable	8,216,387	-	-	-	8,216,387	9,540,241	9,540,241
Reserve for Capital Improvements	3,632,280	205,400	-	-	2,662,680	-	1,175,000
Developers Contribution	(333,000)	-	-	-	-	-	(333,000)
Reserve for Debt Service	2,319,146	-	-	-	759,199	-	1,559,947
Reserve for Preliminary Expense	3,167	-	-	-	3,167	-	-
Fund Balance	954,386	-	-	-	-	172,026	1,126,412
Improvement Authorizations:							
O-99-31 Demolition of Unsafe Buildings	(133,936)	-	-	-	-	-	(133,936)
O-15-16 Various Capital Improvements	83,874	-	1,075	-	-	86,873	169,672
O-15-29 Refunding of Tax Appeals	28,429	-	-	-	-	211,795	240,224
O-16-66 Acquisition of Land	-	-	-	-	-	409	409
O-18-51 Various Capital Improvements	134,849	-	136,480	-	-	31,104	29,473
O-18-53 Waterfront Walkway	12,422	-	-	-	-	-	12,422
O-19-56 Various Capital Improvements	730,871	-	274,715	-	1,169,378	1,401,564	688,342
O-20-19 Various Capital Improvements	(555,213)	311,581	327,705	-	724,498	1,208,166	(87,669)
O-20-49 Improvements to Fitzpatrick Park	239,024	-	-	-	-	-	239,024
O-21-46 Amend Ordinance No. O-20-49	(331,219)	55,096	-	-	-	-	(276,123)
O-21-14 Bayonne Public Library Improvements	(650,000)	-	-	-	-	-	(650,000)
O-21-41 Improvements to 16th Street Park	460,599	-	(264,625)	-	-	-	725,224
O-22-02 Various Roadway Improvements	(153,355)	-	15,644	-	-	140,003	(28,996)
O-22-10 Various Capital Improvements	4,494,910	-	1,214,534	-	2,640,768	3,348,404	3,988,012
O-23-18 Cottage Street Flood Mitigation	404,299	-	115,937	-	3,755	119,692	404,299
O-23-43 Various Technology Improvements	15,976	-	6,082	-	-	-	9,894
O-24-17 Russell Golding Park Improvements	(2,306)	-	91,326	-	-	-	(93,632)
O-24-42 Various Road Improvements	-	602,713	849,432	-	997,560	-	(1,244,279)
O-24-54 Acquisition & Construction of a Ferry Pier	-	6,000,000	400,000	-	-	-	5,600,000
O-24-18 11th Street Oval Park Improvements	(2,473,049)	500,000	2,336,592	-	-	2,309,641	(2,000,000)
O-24-59 63rd Street Flood Resiliency Project	-	-	-	-	480,000	-	(480,000)
O-24-60 Public Safety Technology & Equipment	-	531,414	1,560,018	-	401,918	-	(1,430,522)
O-24-67 Various Capital Improvements	333,500	-	3,627,387	-	498,916	-	(3,792,803)
O-25-02 City Hall Water Chiller and HVAC	-	-	1,149,652	-	1,206,410	154,800	(2,201,262)
O-25-25 Hudson River Waterfront Walkway			908,854		1,428,106	3,062,680	725,720
	$ 12,077,856	$ 8,533,030	$ 12,750,808	$ 1,952,961	$ 22,804,564	$ 22,804,564	$ 5,907,117
Ref	C	C-2	C-9, C-10	C-2	contra	contra	C

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-3a

ANALYSIS OF CASH AND CASH EQUIVALENTS ENDING BALANCE

		Balance, Dec. 31, 2025	Balance Sheet Accounts	Improvement Authorizations		Bond Anticipation Notes	Assignment Agreement	Deferred Charges To Future Taxation Unfunded
				Funded	Unfunded			
Capital Improvement Fund		$ 286,853	$ 286,853	$ -	$ -	$ -	$ -	$ -
Due to (from) Water and Sewer Utility Capital Fund		(545,500)	(545,500)	-	-	-	-	-
Grants Receivable (without reserves)		(6,686,133)	(6,686,133)	-	-	-	-	-
Contracts Payable		9,540,241	9,540,241	-	-	-	-	-
Reserve for Capital Improvements		1,175,000	1,175,000	-	-	-	-	-
Developers Contribution		(333,000)	(333,000)	-	-	-	-	-
Reserve for Debt Service		1,559,947	1,559,947	-	-	-	-	-
Fund Balance		1,126,412	1,126,412	-	-	-	-	-
Improvement Authorizations:								
O-99-31	Demolition of Unsafe Buildings	(133,936)	-	-	-	-	-	133,936
O-15-16	Various Capital Improvements	169,672	-	169,672	-	-	-	-
O-15-29	Refunding of Tax Appeals	240,224	-	240,224	-	-	-	-
O-16-66	Acquisition of Land	409	-	-	409	3,954,000	-	3,954,000
O-17-21	Various Capital Improvements	-	-	-	-	996,000	-	996,000
O-17-28	Roadway Improvements LeFante	-	-	-	-	475,000	-	475,000
O-18-51	Various Capital Improvements	29,473	-	-	29,473	2,715,000	-	2,715,000
O-18-52	Aqueduct Improvements	-	-	-	11,700,000	-	-	11,700,000
O-18-53	Waterfront Walkway	12,422	-	12,422	-	-	-	-
O-19-56	Various Capital Improvements	688,342	-	-	689,290	7,185,000	-	7,185,948
O-20-19	Various Capital Improvements	(87,669)	-	-	6,543,833	-	-	7,261,698
O-20-49	Improvements to Fitzpatrick Park	239,024	-	239,024	-	-	-	-
O-21-46	Amend Ordinance No. O-20-49	(276,123)	-	-	-	-	-	276,123
O-21-14	Bayonne Public Library Improvements	(650,000)	-	-	-	-	-	650,000
O-21-39	Police Department Equipment & Vehicles	-	-	-	-	295,000	-	295,000
O-21-41	Improvements to 16th Street Park	725,224	-	725,224	750,000	-	-	750,000
O-22-02	Various Roadway Improvements	(28,996)	-	-	124,369	-	-	153,365
O-22-10	Various Capital Improvements	3,988,012	-	-	3,988,473	10,389,000	-	10,389,461
O-23-18	Cottage Street Flood Mitigation	404,299	-	404,299	-	-	-	-
O-23-43	Various Technology Improvements	9,894	-	9,894	-	-	-	-
O-24-17	Russell Golding Park Improvements	(93,632)	-	-	4,906,368	-	-	5,000,000
O-24-42	Various Road Improvements	(1,244,279)	-	-	1,653,008	-	-	2,897,287
O-24-54	Acquisition & Construction of a Ferry Pier	5,600,000	-	-	5,600,000	6,000,000	-	6,000,000
O-24-18	11th Street Oval Park Improvements	(2,000,000)	-	-	-	-	-	2,000,000
O-24-59	63rd Street Flood Resiliency Project	(480,000)	-	-	2,520,000	-	-	3,000,000
O-24-60	Public Safety Technology & Equipment	(1,430,522)	-	-	588,064	-	-	2,018,586
O-24-67	Various Capital Improvements	(3,792,803)	-	-	2,873,697	-	-	6,666,500
O-25-02	City Hall Water Chiller and HVAC	(2,201,262)	-	-	893,938	-	-	3,095,200
O-25-25	Hudson River Waterfront Walkway	725,720	-	725,720	-	-	-	-
	Port Authority Assignment Agreement	-	-	-	-	-	35,000,000	35,000,000
		$ 6,537,313	$ 6,123,820	$ 2,526,479	$ 42,860,922	$ 32,009,000	$ 35,000,000	$ 112,613,104
	Ref	C; C-2; C-3		C-10	C-10	C-18	C-17	C-5

CITY OF BAYONNE **Exhibit C-4**
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	Ref.		
Balance: December 31, 2024	C		$ 166,357,007
Increased by:			
Funded by Infrastructure Loan Receipts	C-5, C-25	$ 311,581	
Police Leases	C-16	280,393	
			591,974
			166,948,981
Decreased by:			
Payments for:			
General Serial Bonds Payable	C-11	8,205,000	
School Serial Bonds	C-13	4,870,000	
Infrastructure Bank Loan Payable - Closed	C-15	99,697	
Lease Payable	C-16	563,857	
Green Trust Loans Payable	C-14	16,438	
			13,754,992
Balance: December 31, 2025	C		$ 153,193,989

Analysis of Ending Balance	
Funded Portion of Infrastructure Loan	
Trust Loan	$ 342,551
Fund Loan	2,107,491
Interim Construction Loan Payable	2,262,111
General Serial Bonds Payable	126,636,000
School Serial Bonds Payable	15,071,000
Leases Payable	5,766,494
Green Trust Loans Payable	8,342
Capital Appreciation Bonds	1,000,000
	$ 153,193,989

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number & Improvement Description	Balance Dec. 31, 2024	Increased by: Debt Authorized	Decreased by: I-Bank Receipts	Receipts	Budget Appropriation Assignment	Budget Appropriation Notes	Balance Dec. 31, 2025
City Improvements:							
O-99-31: Demolition of Unsafe Buildings	$ 133,936	$ -	$ -	$ -	$ -	$ -	$ 133,936
O-16-66: Various Capital Improvements	4,045,000	-	-	-	-	91,000	3,954,000
O-17-21: Various Capital Improvements	1,060,000	-	-	-	-	64,000	996,000
O-21-39: Amending Ord. O-17-21	295,000	-	-	-	-	-	295,000
O-17-28: Various Capital Improvements	490,000	-	-	-	-	15,000	475,000
O-18-51: Various Capital Improvements	2,905,000	-	-	-	-	190,000	2,715,000
O-18-52: Aqueduct Improvements	11,700,000	-	-	-	-	-	11,700,000
O-19-56: Various Capital Improvements	7,380,948	-	-	-	-	195,000	7,185,948
O-20-19: Various Capital Improvements	7,573,279	-	311,581	-	-	-	7,261,698
O-21-46: Supplement to O-20-49	331,219	-	-	55,096	-	-	276,123
O-21-14: Library Improvements	650,000	-	-	-	-	-	650,000
O-21-41: 16th Street Park Improvements	750,000	-	-	-	-	-	750,000
O-22-10: Various Capital Improvements	10,389,461	-	-	-	-	-	10,389,461
O-22-02: Various Roadway Improvements	153,365	-	-	-	-	-	153,365
O-24-17: Russell Golding Park Imp.	5,000,000	-	-	-	-	-	5,000,000
O-24-18: 11th Street Oval Park Imp.	2,500,000	-	-	500,000	-	-	2,000,000
O-24-42: Various Road Improvements	2,700,000	800,000	-	602,713	-	-	2,897,287
O-24-54: Acquisition of Real Property and Construction of a Ferry Pier and Dock	6,000,000	-	-	-	-	-	6,000,000
O-24-59: 63rd St. Flood Resiliency Project	3,000,000	-	-	-	-	-	3,000,000
O-24-60: Public Safety Tech. & Equipment	2,550,000	-	-	531,414	-	-	2,018,586
O-24-67: Various Capital Improvements and Acquisitions of Vehicles and Equipment	6,666,500	-	-	-	-	-	6,666,500
O-25-02: City Hall Water Chiller and HVAC	-	3,095,200	-	-	-	-	3,095,200
Port Authority Assignment Agreement	40,000,000	-	-	-	5,000,000	-	35,000,000
	$ 116,273,708	$ 3,895,200	$ 311,581	$ 1,689,223	$ 5,000,000	$ 555,000	$ 112,613,104
Ref	C	C-10, C-25	C-4, C-15a, C-25	C-6a, C-25	C-17	C-18	C; C-3a

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-5a

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

Ordinance Number & Improvement Description	Balance Dec. 31, 2025	Analysis of Ending Balance: Bond Anticipation Notes Payable	Analysis of Ending Balance: Assignment Agreement Payable	Analysis of Ending Balance: Bonds & Notes Authorized But Not Issued	Non-Financed Improvement Authorizations: Unexpended	Non-Financed Improvement Authorizations: Expended
City Improvements:						
O-99-31: Demolition of Unsafe Buildings	$ 133,936	$ -	$ -	$ 133,936	$ -	$ 133,936
O-16-66: Various Capital Improvements	3,954,000	3,954,000	-	-	-	-
O-17-21: Various Capital Improvements	996,000	996,000	-	-	-	-
O-21-39: Amending Ord. O-17-21	295,000	295,000	-	-	-	-
O-17-28: Various Capital Improvements	475,000	475,000	-	-	-	-
O-18-51: Various Capital Improvements	2,715,000	2,715,000	-	-	-	-
O-18-52: Aqueduct Improvements	11,700,000	-	-	11,700,000	11,700,000	-
O-19-56: Various Capital Improvements	7,185,948	7,185,000	-	948	948	-
O-20-19: Various Capital Improvements	7,261,698	-	-	7,261,698	6,543,833	717,865
O-21-46: Supplement to O-20-49	276,123	-	-	276,123	-	276,123
O-21-14: Library Improvements	650,000	-	-	650,000	-	650,000
O-21-41: 16th Street Park Improvements	750,000	-	-	750,000	750,000	-
O-22-10: Various Capital Improvements	10,389,461	10,389,000	-	461	461	-
O-22-02: Various Roadway Improvements	153,365	-	-	153,365	124,369	28,996
O-24-17: Russell Golding Park Imp.	5,000,000	-	-	5,000,000	4,906,368	93,632
O-24-18: 11th Street Oval Park Imp.	2,000,000	-	-	2,000,000	-	2,000,000
O-24-42: Various Road Improvements	2,897,287	-	-	2,897,287	1,653,008	1,244,279
O-24-54: Acquisition of Real Property and Construction of a Ferry Pier and Dock	6,000,000	6,000,000	-	-	-	-
O-24-59: 63rd St. Flood Resiliency Project	3,000,000	-	-	3,000,000	2,520,000	480,000
O-24-60: Public Safety Tech. & Equipment	2,018,586	-	-	2,018,586	588,064	1,430,522
O-24-67: Various Capital Improvements and Acquisitions of Vehicles and Equipment	6,666,500	-	-	6,666,500	2,873,697	3,792,803
O-25-02: City Hall Water Chiller and HVAC	3,095,200	-	-	3,095,200	893,938	2,201,262
Port Authority Assignment Agreement	35,000,000	-	35,000,000	-	-	-
	$ 112,613,104	$ 32,009,000	$ 35,000,000	$ 45,604,104	$ 32,554,686	$ 13,049,418
Ref	C; C-3a	C-18	C-17	C-25		

CITY OF BAYONNE **Exhibit C-6**
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF GRANTS RECEIVABLE - WITHOUT RESERVES

	Balance Dec. 31, 2024	Awarded	Cash Receipts	Balance Dec. 31, 2025
New Jersey Department of Transportation				
2005 (and prior) Awards	$ 329,347	$ -	$ -	$ 329,347
O-13-26: Paving of Various Streets	46,992	-	-	46,992
O-22-10: Various Capital Improvements	205,491	-	-	205,491
O-22-10: Various Capital Improvements	1,400,000	-	-	1,400,000
Green Acres Trust				
2006 (and prior) Awards	767,000	-	-	767,000
O-15-23: Veterans Stadium	477,181	-	-	477,181
O-21-41: 16th Street Park Improvements	750,000	-	-	750,000
O-22-10: Various Capital Improvements	200,000.00	-	-	200,000
O-22-10: Various Capital Improvements	460,000.00	-	-	460,000
Community Development Block Grant				
2001 (and prior) Awards	22,000	-	-	22,000
O-16-14: Clark Park	90,000	-	-	90,000
FEMA Grant				
O-16-22: 16th Street Park	56,689	-	-	56,689
O-16-62: Generators	88,231	-	-	88,231
FEMA BRICS Grant				
O-23-18: Cottage Street Mitigation	443,202	-	-	443,202
Hudson County Open Space Grant				
O-22-10: Various Capital Improvements	250,000	-	-	250,000
O-22-10: Various Capital Improvements	500,000	-	-	500,000
O-25-25: Hudson River Waterfront Walkway	-	500,000	-	500,000
New Jersey Department of Community Affairs - Local Recreation Improvement				
O-22-10: Various Capital Improvements	100,000.00	-	-	100,000
	$ 6,186,133	$ 500,000	$ -	$ 6,686,133
	C	C-10	C-9	C

CITY OF BAYONNE **Exhibit C-6a**
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF GRANTS RECEIVABLE - FULLY RESERVED

	Balance Dec. 31, 2024	Cash Receipts	Cancelled	Balance Dec. 31, 2025
New Jersey Department of Transportation				
O-24-42: Various Road Improvements	$ 1,603,617	$ 602,713	$ 800,000	$ 200,904
US Department of Justice - Community Oriented Police Services (COPS) Grant				
O-24-60: Public Safety Technology & Equipment	1,030,000	531,414	-	498,586
Housing and Urban Development Grant (HUD) Economic Development Initiative (EDI)				
O-24-17: Russell Golding Park	5,000,000	-	-	5,000,000
O-24-18: 11th Street Oval Park	1,000,000	-	-	1,000,000
US Department of Transportation				
O-24-54: Acquisition of Real Property and Construction of a Ferry Pier and Dock	656,800	-	-	656,800
FEMA BRIC Grant				
O-24-59: 63rd Street Flood Resiliency Project	2,207,088	-	-	2,207,088
Hudson County Open Space Grant				
O-20-49: Improvements to Fitzpatrick Park	55,096	55,096	-	-
O-24-18: 11th Street Oval Park	500,000	500,000	-	-
New Jersey Department of Community Affairs - Local Recreation Improvement				
O-24-18: 11th Street Oval Park	85,000.00	-	-	85,000
	$ 12,137,601	$ 1,689,223	$ 800,000	$ 9,648,378
	C	C-2, C-5, C-24	C-24	C

CITY OF BAYONNE **Exhibit C-7**
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF DEVELOPERS CONTRIBUTION FUND RECEIVABLE

	Ref	
Balance: December 31, 2025 and 2024	C	$ 333,000

SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK LOANS RECEIVABLE **Exhibit C-8**

	Ref.	
Balance: December 31, 2024	C	$ 941,777
Decreased by:		
Adjust Loan Balance - Loan not Closed	C-15a	941,777
Balance: December 31, 2025	C	$ -

CITY OF BAYONNE **Exhibit C-9**
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF INTERFUNDS

	Ref	Total	Current Fund	Water and Sewer Utility Capital Fund
Increased by:				
Budget Appropriation -				
Capital Improvement Fund	C-22	$ 154,800	$ 154,800	$ -
Cash Disbursements	C-2	14,703,769	14,158,269	545,500
Premiums Collected by Current Fund:				
Premium on Note Sale - Series 2025A	C-1	85,756	85,756	-
Premium on Note Sale - Series 2025B-1	C-1	86,270	86,270	-
		15,030,595	14,485,095	545,500
Decreased by:				
Cash Receipts	C-2	326,826	326,826	-
Anticipated as Current Fund Budget Revenue:				
Preliminary Expenses	C-23	3,167	3,167	-
Reserve for Debt Service	C-21	759,199	759,199	-
Marist High School Reserves	C-20	100,000	100,000	-
Improvement Authorizations Paid by Current Fund	C-10	12,750,808	12,750,808	-
		13,940,000	13,940,000	-
Net Change in Interfunds		1,090,595	545,095	545,500
Balance: December 31, 2024				
Interfunds Payable	C	545,095	545,095	-
Balance: December 31, 2025				
Interfunds Receivable	C	$ 545,500	$ -	$ 545,500

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-10
Sheet 1 of 2

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance		Balance: December 31, 2024			Current Year	Adjusted/	Paid or	Balance: December 31, 2025		
Date	Amount	Funded	Unfunded	Encumbered	Authorizations	Cancelled	Charged	Encumbered	Funded	Unfunded
O-15-16: Various Capital Improvements										
05/20/15	$ 3,975,000	$ 83,874	$ -	$ 86,873	$ -	$ -	$ 1,075	$ -	$ 169,672	$ -
O-15-29: Refunding Tax Appeals										
09/16/15	4,230,000	28,429	-	211,795	-	-	-	-	240,224	-
O-16-66: Acquisition of Land										
12/14/16	4,730,000	-	-	409	-	-	-	-	-	409
O-18-51: Various Capital Improvements										
09/12/18	3,650,000	-	134,849	20,036	-	-	136,480	(11,068)	-	29,473
O-18-52: Aqueduct Improvements										
09/12/18	11,700,000	-	11,700,000	-	-	-	-	-	-	11,700,000
O-18-53: Waterfront Walkway										
09/12/18	425,000	12,422	-	-	-	-	-	-	12,422	-
O-19-56: Various Capital Improvements										
10/16/19	7,750,000	-	731,819	1,401,564	-	-	274,715	1,169,378	-	689,290
O-20-19: Various Capital Improvements										
03/18/20	10,000,000	-	7,018,066	577,970	-	-	327,705	724,498	-	6,543,833
O-20-49: Improvements to Fitzpatrick Park Amended by O-21-46										
10/21/20	2,086,786	239,024	-	-	-	-	-	-	239,024	-
O-21-41: Improvements to 16th Street Park										
10/20/21	1,500,000	460,599	750,000	-	-	-	(264,625)	-	725,224	750,000
O-22-02: Various Roadway Improvements										
04/20/22	2,500,000	-	10	140,003	-	-	15,644	-	-	124,369
O-22-10: Various Capital Improvements										
03/16/22	18,075,000	-	4,495,371	3,348,404	-	-	1,214,534	2,640,768	-	3,988,473
O-23-18: Cottage Street Flood Mitigation										
05/17/23	581,702	404,299	-	119,692	-	-	115,937	3,755	404,299	-
O-23-43: Various Technology Improvements										
09/20/23	215,000	15,976	-	-	-	-	6,082	-	9,894	-
O-24-17: Russell Golding Park Improvement, Acquisitions and Installations										
03/13/24	5,000,000	-	4,997,694	-	-	-	91,326	-	-	4,906,368
O-24-18: 11th Street Oval Park Improvements, Acquisitions and Installations										
03/13/24	2,500,000	-	26,951	2,309,641	-	-	2,336,592	-	-	-
O-24-42: Various Road Improvements										
07/17/24	2,700,000	-	2,700,000	-	800,000	-	849,432	997,560	-	1,653,008
O-24-54: Acquisition of Real Property & Construction of a Ferry Pier and Dock										
10/16/24	6,000,000	-	6,000,000	-	-	-	400,000	-	-	5,600,000
O-24-59: 63rd Street Flood Resiliency Project										
11/13/24	3,000,000	-	3,000,000	-	-	-	-	480,000	-	2,520,000
O-24-60: Public Safety Technology & Equipment										
11/13/24	2,550,000	-	2,550,000	-	-	-	1,560,018	401,918	-	588,064
O-24-67: Various Capital Improvements & Acquisitions of Vehicles and Equipment										
12/18/24	7,000,000	333,500	6,666,500	-	-	-	3,627,387	498,916	-	2,873,697

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Date	Ordinance Amount	Balance: December 31, 2024 Funded	Balance: December 31, 2024 Unfunded	Balance: December 31, 2024 Encumbered	Current Year Authorizations	Adjusted/ Cancelled	Paid or Charged	Balance: December 31, 2025 Encumbered	Balance: December 31, 2025 Funded	Balance: December 31, 2025 Unfunded
O-25-02: City Hall Water Chiller and HVAC										
01/22/25	$ 3,250,000	$ -	$ -	$ -	$ 3,250,000	$ -	$ 1,149,652	$ 1,206,410	$ -	$ 893,938
O-25-25: Hudson River Waterfront Walkway										
04/16/25	3,500,000	-	-	-	3,500,000	437,320	908,854	1,428,106	725,720	-
		$ 1,578,123	$ 50,771,260	$ 8,216,387	$ 7,550,000	$ 437,320	$ 12,750,808	$ 9,540,241	$ 2,526,479	$ 42,860,922
Ref		C	C	C-19		C-10	C-9	C-19	C	C

Analysis of Current Year Authorizations		
Capital Improvement Fund	C-22	$ 154,800
Bonds and Notes Authorized	C-5	3,895,200
Fund Balance	C-1	437,320
Grants Receivable	C-6	500,000
Reserve for Capital Improvements	C-20	2,562,680
		$ 7,550,000

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-11
Sheet 1 of 5

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2025 Maturity Date	Interest Rate	Interest Amount	Principal Amount	Balance Dec. 31, 2024	Paid By Budget Appropriation	Balance Dec. 31, 2025
Early Retirement Incentive Program Refunding Bonds (Qualified)	01/15/2003	$ 15,795,000	1/15/2026	5.680%	$ 314,956	$ 800,000	$ 11,790,000	$ 700,000	$ 11,090,000
			7/15/2026	5.680%	292,236	-			
			1/15/2027	5.680%	292,236	935,000			
			7/15/2027	5.680%	265,682	-			
			1/15/2028	5.680%	265,682	1,080,000			
			7/15/2028	5.680%	235,010	-			
			1/15/2029	5.680%	235,010	1,250,000			
			7/15/2029	5.680%	199,510	-			
			1/15/2030	5.680%	199,510	1,435,000			
			7/15/2030	5.680%	158,756	-			
			1/15/2031	5.680%	158,756	1,640,000			
			7/15/2031	5.680%	112,180	-			
			1/15/2032	5.680%	112,180	1,855,000			
			7/15/2032	5.680%	59,498	-			
			1/15/2033	5.680%	59,498	2,095,000			
Hudson County Improvement Authority (Qualified)	10/24/2008	10,000,000	Matured August 1, 2025				1,495,000	1,495,000	-
Special Assessment Bonds	11/19/2014	6,322,000	5/15/2026	3.000%	46,266	-	3,150,000	315,000	2,835,000
			11/15/2026	3.000%	46,266	315,000			
			5/15/2027	3.000%	41,541	-			
			11/15/2027	3.000%	41,541	315,000			
			5/15/2028	3.125%	36,816	-			
			11/15/2028	3.125%	36,816	315,000			
			5/15/2029	3.125%	31,894	-			
			11/15/2029	3.125%	31,894	315,000			
			5/15/2030	3.250%	26,972	-			
			11/15/2030	3.250%	26,972	315,000			
			5/15/2031	3.375%	21,853	-			
			11/15/2031	3.375%	21,853	315,000			
			5/15/2032	3.500%	16,537	-			
			11/15/2032	3.500%	16,537	315,000			
			5/15/2033	3.500%	11,025	-			
			11/15/2033	3.500%	11,025	315,000			
			5/15/2034	3.500%	5,512	-			
			11/15/2034	3.500%	5,512	315,000			

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2025 Maturity Date	Interest Rate	Interest Amount	Principal Amount	Balance Dec. 31, 2024	Paid By Budget Appropriation	Balance Dec. 31, 2025
General Obligation Refunding Bonds	6/10/2015	$ 14,775,000	2/1/2026	5.000%	$ 214,778	$ -	$ 11,100,000	$ 610,000	$ 10,490,000
			8/1/2026	5.000%	214,778	635,000			
			2/1/2027	4.000%	198,903	-			
			8/1/2027	4.000%	198,903	665,000			
			2/1/2028	4.000%	185,603	-			
			8/1/2028	4.000%	185,603	690,000			
			2/1/2029	4.000%	171,803	-			
			8/1/2029	4.000%	171,803	715,000			
			2/1/2030	4.000%	157,503	-			
			8/1/2030	4.000%	157,503	740,000			
			2/1/2031	4.000%	142,703	-			
			8/1/2031	4.000%	142,703	775,000			
			2/1/2032	4.000%	127,203	-			
			8/1/2032	4.000%	127,203	800,000			
			2/1/2033	4.000%	111,203	-			
			8/1/2033	4.000%	111,203	830,000			
			2/1/2034	4.000%	94,603	-			
			8/1/2034	4.000%	94,603	860,000			
			2/1/2035	4.000%	77,403	-			
			8/1/2035	4.000%	77,403	895,000			
			2/1/2036	4.125%	59,503	-			
			8/1/2036	4.125%	59,503	925,000			
			2/1/2037	4.125%	40,425	-			
			8/1/2037	4.125%	40,425	960,000			
			2/1/2038	4.125%	20,625	-			
			8/1/2038	4.125%	20,625	1,000,000			
General Improvement Infrastructure Bond (Qualified)	3/22/2016	66,000,000	1/1/2026	5.000%	60,625	-	4,805,000	2,380,000	2,425,000
			7/1/2026	5.000%	60,625	2,425,000			
General Improvement Bonds, Series 2018A	4/17/2018	7,208,000	2/1/2026	3.000%	44,370	705,000	3,643,000	685,000	2,958,000
			8/1/2026	3.000%	33,795	-			
			2/1/2027	3.000%	33,795	730,000			
			8/1/2027	3.000%	22,845	-			
			2/1/2028	3.000%	22,845	750,000			
			8/1/2028	3.000%	11,595	-			
			2/1/2029	3.000%	11,595	773,000			
General Improvement Bonds, Series 2018B	4/17/2018	13,447,000	2/1/2026	5.000%	250,581	355,000	11,317,000	355,000	10,962,000
			8/1/2026	5.000%	241,706	-			
			2/1/2027	5.000%	241,706	355,000			
			8/1/2027	5.000%	232,831	-			

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2025 Maturity Date	Interest Rate	Interest Amount	Principal Amount	Balance Dec. 31, 2024	Paid By Budget Appropriation	Balance Dec. 31, 2025
General Improvement Bonds, Series 2018B	(continued)		2/1/2028	5.000%	$ 232,831	$ 355,000			
			8/1/2028	5.000%	223,956	-			
			2/1/2029	5.000%	223,956	355,000			
			8/1/2029	5.000%	215,081	-			
			2/1/2030	5.000%	215,081	355,000			
			8/1/1930	5.000%	206,206	-			
			2/1/2031	5.000%	206,206	360,000			
			8/1/1931	4.500%	197,206	-			
			2/1/2032	4.500%	197,206	375,000			
			8/1/1932	4.250%	188,769	-			
			2/1/2033	4.250%	188,769	385,000			
			8/1/1933	4.250%	180,588	-			
			2/1/2034	4.250%	180,588	400,000			
			8/1/1934	4.300%	172,088	-			
			2/1/2035	4.300%	172,088	420,000			
			8/1/1935	4.500%	163,058	-			
			2/1/2036	4.500%	163,058	435,000			
			8/1/1936	4.500%	153,270	-			
			2/1/2037	4.500%	153,270	450,000			
			8/1/2037	4.500%	143,145	-			
			2/1/2038	4.500%	143,145	470,000			
			8/1/2038	4.500%	132,570	-			
			2/1/2039	4.500%	132,570	490,000			
			8/1/2040	4.500%	121,545	-			
			2/1/2040	4.500%	121,545	510,000			
			8/1/2041	4.500%	110,070	-			
			2/1/2041	4.500%	110,070	530,000			
			8/1/2041	4.500%	98,145	-			
			2/1/2042	4.500%	98,145	550,000			
			8/1/2042	4.500%	85,770	-			
			2/1/2043	4.500%	85,770	575,000			
			8/1/2043	4.500%	72,833	-			
			2/1/2044	4.500%	72,833	595,000			
			8/1/2044	4.500%	59,445	-			
			2/1/2045	4.500%	59,445	620,000			
			8/1/2045	4.500%	45,495	-			
			2/1/2046	4.500%	45,495	645,000			
			8/1/2046	4.500%	30,982	-			
			2/1/2047	4.500%	30,982	675,000			
			8/1/2047	4.500%	15,795	-			
			2/1/2048	4.500%	15,795	702,000			

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2025 Maturity Date	Interest Rate	Interest Amount	Principal Amount	Balance Dec. 31, 2024	Paid By Budget Appropriation	Balance Dec. 31, 2025
General Improvement Bonds, Series 2020	5/11/2020	$ 27,026,000	2/1/2026	5.000%	$ 465,701	$ 750,000	$ 24,026,000	$ 750,000	$ 23,276,000
			8/1/2026	5.000%	446,951	-			
			2/1/2027	5.000%	446,951	750,000			
			8/1/2027	5.000%	428,201	-			
			2/1/2028	5.000%	428,201	750,000			
			8/1/2028	5.000%	409,451	-			
			2/1/2029	5.000%	409,451	750,000			
			8/1/2029	5.000%	390,701	-			
			2/1/2030	5.000%	390,701	750,000			
			8/1/2030	3.000%	371,951	-			
			2/1/2031	3.000%	371,951	750,000			
			8/1/2031	3.250%	360,701	-			
			2/1/2032	3.250%	360,701	750,000			
			8/1/2032	3.375%	348,514	-			
			2/1/2033	3.375%	348,514	750,000			
			8/1/2033	3.500%	335,858	-			
			2/1/2034	3.500%	335,858	750,000			
			8/1/2034	3.500%	322,733	-			
			2/1/2035	3.500%	322,733	750,000			
			8/1/2035	3.625%	309,607	-			
			2/1/2036	3.625%	309,607	750,000			
			8/1/2036	3.625%	296,014	-			
			2/1/2037	3.625%	296,014	750,000			
			8/1/2037	3.750%	282,420	-			
			2/1/2038	3.750%	282,420	785,000			
			8/1/2038	3.750%	267,701	-			
			2/1/2039	3.750%	267,701	825,000			
			8/1/2039	3.750%	252,233	-			
			2/1/2040	3.750%	252,233	870,000			
			8/1/2040	4.000%	235,920	-			
			2/1/2041	4.000%	235,920	915,000			
			8/1/2041	4.000%	217,620	-			
			2/1/2042	4.000%	217,620	965,000			
			8/1/2042	4.000%	198,320	-			
			2/1/2043	4.000%	198,320	1,020,000			
			8/1/2043	4.000%	177,920	-			
			2/1/2044	4.000%	177,920	1,075,000			
			8/1/2044	4.000%	156,420	-			
			2/1/2045	4.000%	156,420	1,135,000			
			8/1/2045	4.000%	133,720	-			
			2/1/2046	4.000%	133,720	1,195,000			
			8/1/2046	4.000%	109,820	-			

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2025 Maturity Date	Interest Rate	Interest Amount	Principal Amount		Balance Dec. 31, 2024	Paid By Budget Appropriation	Balance Dec. 31, 2025
General Improvement Bonds, Series 2020	(continued)		2/1/2047	4.000%	$ 109,820	$ 1,260,000				
			8/1/2047	4.000%	84,620	-				
			2/1/2048	4.000%	84,620	1,335,000				
			8/1/2048	4.000%	57,920	-				
			2/1/2049	4.000%	57,920	1,410,000				
			8/1/2049	4.000%	29,720	-				
			2/1/2050	4.000%	29,720	1,486,000				
General Improvement Refunding Bonds Series 2021	8/5/2021	$ 66,375,000	1/1/2026	1.189%	742,071	-		$ 63,515,000	$ 915,000	$ 62,600,000
			7/1/2026	1.189%	742,071	925,000				
			1/1/2027	1.458%	736,572	-				
			7/1/2027	1.458%	736,572	3,410,000				
			1/1/2028	1.658%	711,713	-				
			7/1/2028	1.658%	711,713	3,365,000				
			1/1/2029	1.792%	683,817	-				
			7/1/2029	1.792%	683,817	3,325,000				
			1/1/2030	1.942%	654,025	-				
			7/1/2030	1.942%	654,025	3,280,000				
			1/1/2031	2.042%	622,177	-				
			7/1/2031	2.042%	622,177	3,240,000				
			1/1/2032	2.192%	589,096	-				
			7/1/2032	2.192%	589,096	3,185,000				
			1/1/2033	2.342%	554,189	-				
			7/1/2033	2.342%	554,189	4,720,000				
			1/1/2034	2.442%	498,917	-				
			7/1/2034	2.442%	498,917	5,695,000				
			1/1/2035	2.542%	429,381	-				
			7/1/2035	2.542%	429,381	5,870,000				
			1/1/2036	2.642%	354,774	-				
			7/1/2036	2.642%	354,774	6,055,000				
			1/1/2037	2.814%	274,787	-				
			7/1/2037	2.814%	274,787	6,270,000	A			
			1/1/2038	2.814%	186,568	-				
			7/1/2038	2.814%	186,568	6,505,000	A			
			1/1/2039	2.814%	95,043	-				
			7/1/2039	2.814%	95,043	6,755,000	A			
								$ 134,841,000	$ 8,205,000	$ 126,636,000
							Ref.	C	C-4	C

A. Term bond of $19,530,000 due July 1, 2039 at 2.814%

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-12

SCHEDULE OF CAPITAL APPRECIATION BONDS PAYABLE

Purpose	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2025 Maturity Date	Maturities of Bonds Outstanding December 31, 2025 Principal Amount	Interest Rate	Balance Dec. 31, 2024	Balance Dec. 31, 2025
Water Sytem Revenue Bond	12/21/2012	$ 500,000	12/21/2052	$ 500,000	4.06%	$ 500,000	$ 500,000
Sewer System Revenue Bond	12/21/2012	$ 500,000	12/21/2052	500,000	4.06%	500,000	500,000
						$ 1,000,000	$ 1,000,000
					Ref.	C	C

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-13

SCHEDULE OF SCHOOL SERIAL BONDS PAYABLE

Purpose	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2025 Maturity Date	Interest Rate	Interest Amount	Principal Amount	Balance Dec. 31, 2024	Paid By Budget Appropriation	Balance Dec. 31, 2025
School Bonds, Series 2014B	11/19/2014	$ 6,121,000	05/15/2026	3.000%	$ 53,302	$ -	$ 3,641,000	$ 305,000	$ 3,336,000
			11/15/2026	3.000%	53,302	320,000			
			05/15/2027	3.000%	48,502	-			
			11/15/2027	3.000%	48,502	330,000			
			05/15/2028	3.000%	43,552	-			
			11/15/2028	3.000%	43,552	345,000			
			05/15/2029	3.125%	38,377	-			
			11/15/2029	3.125%	38,377	355,000			
			05/15/2030	3.125%	32,830	-			
			11/15/2030	3.125%	32,830	370,000			
			05/15/2031	3.250%	27,049	-			
			11/15/2031	3.250%	27,049	385,000			
			05/15/2032	3.250%	20,792	-			
			11/15/2032	3.250%	20,792	395,000			
			05/15/2033	3.375%	14,374	-			
			11/15/2033	3.375%	14,374	410,000			
			05/15/2034	3.500%	7,455	-			
			11/15/2034	3.500%	7,455	426,000			
School Refunding Bonds	08/13/2014	28,380,000	Matured July 15, 2025				3,320,000	3,320,000	-
School Refunding Bonds (NJ School Bond Reserve Act P.L. 1980, c. 72)	06/10/2015	15,475,000	Matured August 1, 2025				615,000	615,000	-
School Refunding Bonds Series 2016	04/19/2016	3,425,000	Matured July 1, 2025				385,000	385,000	-
School Refunding Bonds Series 2021	08/05/2021	$ 12,700,000	2/1/2026	1.189%	$ 97,503	$ -	$ 11,980,000	$ 245,000	$ 11,735,000
			8/1/2026	1.189%	97,503	1,110,000			
			2/1/2027	1.458%	90,904	-			
			8/1/2027	1.458%	90,904	2,575,000			
			2/1/2028	1.658%	72,133	-			
			8/1/2028	1.658%	72,133	2,730,000			
			2/1/2029	1.792%	49,501	-			
			8/1/2029	1.792%	49,501	2,875,000			
			2/1/2030	1.942%	23,741	-			
			8/1/2030	1.942%	23,741	2,445,000			
							$ 19,941,000	$ 4,870,000	$ 15,071,000
						Ref	C	C-4	C

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-14

SCHEDULE OF GREEN TRUST LOANS PAYABLE

Description of Loan	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2025 Date	Interest	Principal	Balance Dec. 31, 2024	Paid By Budget Appropriation	Balance Dec. 31, 2025
1995 GFB	2006	$ 171,000	02/09/26	$ 53	$ 5,264	$ 15,636	$ 10,372	$ 5,264
95GT	2006	100,000	02/10/26	31	3,078	9,144	6,066	3,078
						$ 24,780	$ 16,438	$ 8,342
					Ref	C	C-4	C

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhbit C-15
Sheet 1 of 3

SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK LOANS PAYABLE - TRUST LOANS AND FUND LOANS

Description of Loan	Total Loan At Initial Amortization Description	Amount	Maturities of Bonds Outstanding December 31, 2025 Date	Trust Loan Interest Rate	Trust Loan Interest	Trust Loan Principal	Fund Loan Principal	Balance Dec. 31, 2024	Paid By Budget Appropriation	Balance Dec. 31, 2025
O-20-49: Improvements to Fitzpatrick Park Amended by Ord. O-21-46	Initial Award	$ 1,612,775	02/01/2026	5.000%	$ 11,473	$ -	$ 4,078	$ 1,029,502	$ 27,234	$ 1,002,268
	Added Principal at Amortization	32,794	08/01/2026	5.000%	11,473	15,000	8,156			
	Less Unused Loan	68,583	02/01/2027	5.000%	11,097	-	4,078			
	Net Loan Due	$ 1,576,986	08/01/2027	5.000%	11,097	15,000	8,156			
			02/01/2028	5.000%	10,722	-	4,078			
			08/01/2028	5.000%	10,722	15,000	8,156			
			02/01/2029	5.000%	10,347	-	4,078			
			08/01/2029	5.000%	10,347	15,000	8,156			
			02/01/2030	5.000%	9,972	-	4,078			
			08/01/2030	5.000%	9,972	15,000	8,156			
			02/01/2031	5.000%	9,597	-	4,078			
			08/01/2031	5.000%	9,597	15,000	8,156			
			02/01/2032	5.000%	9,222	-	4,078			
			08/01/2032	5.000%	9,222	15,000	8,156			
			02/01/2033	5.000%	8,847	-	4,078			
			08/01/2033	5.000%	8,847	15,000	8,156			
			02/01/2034	5.000%	8,472	-	4,078			
			08/01/2034	5.000%	8,472	15,000	8,156			
			02/01/2035	5.000%	8,097	-	4,078			
			08/01/2035	5.000%	8,097	15,000	8,156			
			02/01/2036	3.030%	7,723	-	4,078			
			08/01/2036	3.030%	7,723	23,417	8,156			
			02/01/2037	3.030%	7,368	-	4,078			
			08/01/2037	3.030%	7,368	23,377	8,156			
			02/01/2038	3.030%	7,013	-	4,078			
			08/01/2038	3.030%	7,013	23,335	8,156			
			02/01/2039	3.030%	6,660	-	4,078			
			08/01/2039	3.030%	6,660	23,292	8,156			
			02/01/2040	3.030%	6,307	-	4,078			
			08/01/2040	3.030%	6,307	23,248	8,156			
			02/01/2041	3.030%	5,955	-	4,078			
			08/01/2041	3.030%	5,955	23,202	8,156			
			02/01/2042	3.030%	5,603	-	4,078			
			08/01/2042	3.030%	5,603	28,155	8,156			
			02/01/2043	3.030%	5,177	-	4,078			
			08/01/2043	3.030%	5,177	28,009	8,156			
			02/01/2044	3.030%	4,752	-	4,078			
			08/01/2044	3.030%	4,752	27,857	8,156			
			02/01/2045	3.030%	4,330	-	4,078			
			08/01/2045	3.030%	4,330	27,701	8,156			
			02/01/2046	3.030%	3,911	-	4,078			

SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK LOANS PAYABLE - TRUST LOANS AND FUND LOANS

Description of Loan	Total Loan At Initial Amortization Description	Amount	Maturities of Bonds Outstanding December 31, 2025 Date	Trust Loan Interest Rate	Trust Loan Interest	Trust Loan Principal	Fund Loan Principal	Balance Dec. 31, 2024	Paid By Budget Appropriation	Balance Dec. 31, 2025
O-20-49: Improvements to Fitzpatrick Park Amended by Ord. O-21-46	(continued)		08/01/2046	3.030%	$ 3,911	$ 27,541	$ 8,156			
			02/01/2047	3.030%	3,493	-	4,078			
			08/01/2047	3.030%	3,493	32,375	8,156			
			02/01/2048	3.030%	3,003	-	4,078			
			08/01/2048	3.030%	3,003	32,106	8,156			
			02/01/2049	3.030%	2,516	-	4,078			
			08/01/2049	3.030%	2,516	31,829	8,156			
			02/01/2050	3.030%	2,034	-	4,078			
			08/01/2050	3.030%	2,034	31,543	8,156			
			02/01/2051	3.030%	1,557	-	4,078			
			08/01/2051	3.030%	1,557	31,249	8,156			
			02/01/2052	3.030%	1,083	-	4,078			
			08/01/2052	3.030%	1,083	35,946	8,156			
			02/01/2053	3.030%	538	-	4,078			
			08/01/2053	3.030%	538	35,535	8,155			
O-22-02: Various Roadway Improvements	Initial Award	$ 2,062,164	05/01/2026	3.300%	$ 16,122	$ 4,348	$ -	$ 1,520,237	$ 72,463	$ 1,447,774
	Added Principal at Amortization	6,576	11/01/2026	3.300%	16,122	69,186	-			
	Less Forgiveness	1,031,982	05/01/2027	3.230%	15,587	4,102	-			
		$ 1,036,758	11/01/2027	3.230%	15,587	70,503	-			
			05/01/2028	3.190%	15,045	3,863	-			
			11/01/2028	3.190%	15,045	71,826	-			
			05/01/2029	3.470%	14,493	3,477	-			
			11/01/2029	3.470%	14,493	73,315	-			
			05/01/2030	3.400%	13,873	3,160	-			
			11/01/2030	3.400%	13,873	74,873	-			
			05/01/2031	3.380%	13,245	2,850	-			
			11/01/2031	3.380%	13,245	76,438	-			
			05/01/2032	3.370%	12,599	2,558	-			
			11/01/2032	3.370%	12,599	78,022	-			
			05/01/2033	3.440%	11,933	2,130	-			
			11/01/2033	3.440%	11,933	79,782	-			
			05/01/2034	4.069%	11,231	1,739	-			
			11/01/2034	4.069%	11,231	81,578	-			
			05/01/2035	4.306%	10,371	1,505	-			
			11/01/2035	4.306%	10,371	83,531	-			
			05/01/2036	4.503%	9,425	1,201	-			
			11/01/2036	4.503%	9,425	85,728	-			
			05/01/2037	4.684%	8,392	983	-			
			11/01/2037	4.684%	8,392	88,010	-			
			05/01/2038	4.823%	7,270	699	-			
			11/01/2038	4.823%	7,270	90,539	-			
			05/01/2039	5.210%	6,060	503	-			

SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK LOANS PAYABLE - TRUST LOANS AND FUND LOANS

Description of Loan	Total Loan At Initial Amortization Description	Amount	Maturities of Bonds Outstanding December 31, 2025 Date	Trust Loan Interest Rate	Trust Loan Interest	Trust Loan Principal	Fund Loan Principal	Balance Dec. 31, 2024	Paid By Budget Appropriation	Balance Dec. 31, 2025
O-22-02: Various Roadway Improvements	(continued)		11/01/2039	5.210%	$ 6,060	$ 93,155	$ -			
			05/01/2040	5.289%	4,691	310	-			
			11/01/2040	5.289%	4,691	96,088	-			
			05/01/2041	5.366%	3,227	210	-			
			11/01/2041	5.366%	3,227	99,113	-			
			05/01/2042	5.424%	1,665	54	-			
			11/01/2042	5.424%	1,665	102,395	-			
								$ 2,549,739	$ 99,697	$ 2,450,042
							Ref	C	C-4	C

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-15a

SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK LOANS PAYABLE - INTERIM CONSTRUCTION LOANS

Description of Loan	Total Loan At Initial Amortization Description	Total Loan At Initial Amortization Amount	Maturities of Bonds Outstanding December 31, 2025 Date	Trust Loan Interest Rate	Trust Loan Interest	Trust Loan Principal	Fund Loan Principal	Balance Dec. 31, 2024	Interim Construction Loan Draw	Adjust Prior Year Loan Balance	Balance Dec. 31, 2025
O-20-19: Pedestrian Bridge	Initial Award	$ 2,892,307	Amortization not yet finalized.					$ 2,892,307	$ 311,581	$ 941,777	$ 2,262,111
								$ 2,892,307	$ 311,581	$ 941,777	$ 2,262,111
							Ref	C	C-4	C-8	C

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-16

SCHEDULE OF LEASES PAYABLE

Description of Loan	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2025 Date	Interest	Principal	Balance Dec. 31, 2024	Increase	Paid By Budget Appropriation	Balance Dec. 31, 2025
Vehicles	2020	$ 90,165	Matured in 2024.			$ -	$ -	$ -	$ -
HCIA Lease Central Garage	2015	8,580,000	2026	$ 240,775	$ 445,000	5,325,000	-	425,000	4,900,000
			2027	219,600	470,000				
			2028	196,313	485,000				
			2029	171,438	510,000				
			2030	145,188	540,000				
			2031	116,413	565,000				
			2032	85,328	595,000				
			2033	52,406	630,000				
			2034	17,738	660,000				
Spartan Custom Fire Pumper	2020	439,946	2026	8,203	46,444	242,258	-	44,593	197,665
			2027	6,276	48,372				
			2028	4,268	50,379				
			2029	2,178	52,470				
Spartan Metro Star Fire Engine	2023	578,471	2026	19,953	53,602	482,700	-	51,232	431,468
			2027	17,474	56,080				
			2028	14,881	58,674				
			2029	12,167	61,387				
			2030	9,327	64,226				
			2031	6,359	67,196				
			2032	3,251	70,303				
Police Vehicles	2025	280,393	2026	8,521	53,422	-	280,393	43,032	237,361
			2027	6,344	55,599				
			2028	4,092	57,850				
			2029	1,722	60,221				
			2030	60	10,269				
						$ 6,049,958	$ 280,393	$ 563,857	$ 5,766,494
					Ref	C	C-4	C-4	C

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-17

SCHEDULE OF ASSIGNMENT AGREEMENT PAYABLE

Description of Loan	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2025 Date	Maturities of Bonds Outstanding December 31, 2025 Principal	Balance Dec. 31, 2024	Paid By Budget Appropriation	Balance Dec. 31, 2025
Military Ocean Terminal	8/3/2016	$ 45,000,000	2026	$ 5,000,000	$ 40,000,000	$ 5,000,000	$ 35,000,000
Purchase - Port Authority			2027	5,000,000			
Dated December 23, 2014			2028	5,000,000			
			2029	5,000,000			
			2030	5,000,000			
			2031	5,000,000			
			2032	5,000,000			
					$ 40,000,000	$ 5,000,000	$ 35,000,000
				Ref	C	C-5	C

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-18

SCHEDULE OF GENERAL BOND ANTICIPATION NOTES PAYABLE

Ordinance Number	Purpose	Original Date of Issue	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2024	Increased by: Notes Issued	Increased by: Notes Refunded	Decreased by Notes Paid: Notes Refunded	Decreased by Notes Paid: Budget Appropriation	Balance Dec. 31, 2025
HCIA Tax-Exempt County-Guaranteed Pooled Notes, Series 2024 B-1 (Local Unit Loan Program)												
O-16-66	Various Capital Improvements	10/19/2017	$ 4,500,000	07/12/2024	07/11/2025	4.500%	$ 4,045,000	$ -	-	$ 3,954,000	$ 91,000	$ -
O-17-21	Various Capital Improvements	10/19/2017	1,380,000	07/12/2024	07/11/2025	4.500%	1,060,000	-	-	996,000	64,000	-
O-21-39	Amending O-17-21	10/19/2017	295,000	07/12/2024	07/11/2025	4.500%	295,000	-	-	295,000	-	-
O-17-28	Roadway Improvements-LeFante	10/03/2018	550,000	07/12/2024	07/11/2025	4.500%	490,000	-	-	475,000	15,000	-
O-22-10	Various Capital Improvements	07/05/2023	10,389,000	07/12/2024	07/11/2025	4.500%	10,389,000	-	-	10,389,000	-	-
							16,279,000	-	-	16,109,000	170,000	-
HCIA Tax-Exempt County-Guaranteed Pooled Notes, Series 2025 B-1 (Local Unit Loan Program)												
O-16-66	Various Capital Improvements	10/19/2017	4,500,000	06/25/2025	06/24/2026	4.000%	-	-	3,954,000	-	-	3,954,000
O-17-21	Various Capital Improvements	10/19/2017	1,380,000	06/25/2025	06/24/2026	4.000%	-	-	996,000	-	-	996,000
O-21-39	Amending O-17-21	10/19/2017	295,000	06/25/2025	06/24/2026	4.000%	-	-	295,000	-	-	295,000
O-17-28	Roadway Improvements-LeFante	10/03/2018	550,000	06/25/2025	06/24/2026	4.000%	-	-	475,000	-	-	475,000
O-22-10	Various Capital Improvements	07/05/2023	10,389,000	06/25/2025	06/24/2026	4.000%	-	-	10,389,000	-	-	10,389,000
							-	-	16,109,000	-	-	16,109,000
HCIA Tax-Exempt County-Guaranteed Pooled Notes, Series 2025 A (Local Unit Loan Program)												
O-18-51	Various Capital Improvements	05/24/2019	3,475,000	03/13/2025	03/12/2026	4.000%	-	-	2,715,000	-	-	2,715,000
O-19-56	Various Capital Improvements	04/18/2022	7,380,000	03/13/2025	03/12/2026	4.000%	-	-	7,185,000	-	-	7,185,000
O-24-54	Ferry Pier and Dock	03/13/2025	6,000,000	03/13/2025	03/12/2026	4.000%	-	6,000,000	-	-	-	6,000,000
							-	6,000,000	9,900,000	-	-	15,900,000
HCIA Tax-Exempt County-Guaranteed Pooled Notes, Series 2024 A (Local Unit Loan Program)												
O-18-51	Various Capital Improvements	05/24/2019	3,475,000	03/26/2024	03/25/2025	4.250%	2,905,000	-	-	2,715,000	190,000	-
O-19-56	Various Capital Improvements	04/18/2022	7,380,000	03/26/2024	03/25/2025	4.250%	7,380,000	-	-	7,185,000	195,000	-
							10,285,000	-	-	9,900,000	385,000	-
							$ 26,564,000	$ 6,000,000	$ 26,009,000	$ 26,009,000	$ 555,000	$ 32,009,000
						Ref	C	C-2, C-25	Contra	Contra	C-5	C

CITY OF BAYONNE **Exhibit C-19**
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF CONTRACTS PAYABLE

	Ref	
Balance: December 31, 2024	C	$ 8,216,387
Increased by Reserved at Year end For:		
Improvement Authorizations	C-10	9,540,241
		17,756,628
Decreased by Amounts Added to:		
Improvement Authorizations	C-10	8,216,387
Balance: December 31, 2025	C	$ 9,540,241

CITY OF BAYONNE **Exhibit C-20**
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENTS

	Balance Dec. 31, 2024	Increased by: Cash Receipts	Decreased by: Anticipated as Budget Revenue	Decreased by: Capital Ordinance 25-25	Balance Dec. 31, 2025
Veterans Stadium	$ 25,000	$ -	$ -	$ -	$ 25,000
Pedestrian Bridge	250,000	-	-	-	250,000
Park Improvements	650,000	-	-	-	650,000
Intersection Improvements	250,000	-	-	-	250,000
Marist High School	100,000	-	100,000	-	-
Hudson River Walkway Escrow	2,357,280	205,400	-	2,562,680	-
	$ 3,632,280	$ 205,400	$ 100,000	$ 2,562,680	$ 1,175,000
	C	C-2	C-9	C-10	C

CITY OF BAYONNE **Exhibit C-21**
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR DEBT SERVICE

	Balance Dec. 31, 2024	Decreased by: Anticipated as Budget Revenue	Balance Dec. 31, 2025
Debt of the Former Local Redevelopment Agency	$ 2,059,947	$ 500,000	$ 1,559,947
Debt of the Former Municipal Utilities Authority	208,558	208,558	-
Other City Debt	50,641	50,641	-
	$ 2,319,146	$ 759,199	$ 1,559,947
	C	C-9	C

CITY OF BAYONNE **Exhibit C-22**
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref		
Balance: December 31, 2024	C	$	286,853
Increased by:			
Budget Appropriations	C-9		154,800
			441,653
Decreased by:			
Improvement Authorization -			
Ord No. O-25-02: Heating and Cooling			
Improvements to City Hall	C-10		154,800
Balance: December 31, 2025	C	$	286,853

SCHEDULE OF RESERVE FOR PRELIMINARY EXPENSES **Exhibit C-23**

	Ref		
Balance: December 31, 2024	C	$	3,167
Decreased by:			
Anticipated as Budget Revenue	C-9		3,167
Balance: December 31, 2025 and 2024	C	$	-

CITY OF BAYONNE **Exhibit C-24**
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

	Balance Dec. 31, 2024	Cash Receipts	Cancelled	Balance Dec. 31, 2025
New Jersey Department of Transportation				
O-24-42: Various Road Improvements	$ 1,603,617	$ 602,713	$ 800,000	$ 200,904
US Department of Justice -				
Community Oriented Police Services (COPS) Grant				
O-24-60: Public Safety Technology & Equipment	1,030,000	531,414	-	498,586
Housing and Urban Development Grant (HUD)				
O-24-17: Russell Golding Park	5,000,000	-	-	5,000,000
O-24-18: 11th Street Oval Park	1,000,000	-	-	1,000,000
US Department of Transportation				
O-24-54: Acquisition of Real Property and				
Construction of a Ferry Pier and Dock	656,800	-	-	656,800
FEMA BRIC Grant				
O-24-59: 63rd Street Flood Resiliency Project	2,207,088	-	-	2,207,088
Hudson County Open Space Grant				
O-20-49: Improvements to Fitzpatrick Park	55,096	55,096	-	-
O-24-18: 11th Street Oval Park	500,000	500,000	-	-
New Jersey Department of Community Affairs -				
Local Recreation Improvement				
O-24-18: 11th Street Oval Park	85,000.00	-	-	85,000
	$ 12,137,601	$ 1,689,223	$ 800,000	$ 9,648,378
	C	C-2, C-3	C-6a	C

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit C-25

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Description	Balance Dec. 31, 2024	Increased by: Debt Authorized	Decreased by: I-Bank Recepts	Decreased by: Grant Receipts	Decreased by: Notes Issued	Balance Dec. 31, 2025
General Improvements:							
O-99-31	Demolition of Unsafe Buildings	$ 133,936	$ -	$ -	$ -	$ -	$ 133,936
O-18-52	Aqueduct Improvements	11,700,000	-	-	-	-	11,700,000
O-19-56	Various Capital Improvements	948	-	-	-	-	948
O-20-19	Various Capital Improvements	7,573,279	-	311,581	-	-	7,261,698
O-21-46	Supplement to O-20-49	331,219	-	-	55,096	-	276,123
O-21-14	Library Improvements	650,000	-	-	-	-	650,000
O-21-41	16th Street Park Improvements	750,000	-	-	-	-	750,000
O-22-10	Various Capital Improvements	461	-	-	-	-	461
O-22-02	Various Roadway Improvements	153,365	-	-	-	-	153,365
O-24-17	Russell Golding Park	5,000,000	-	-	-	-	5,000,000
O-24-18	11th Street Oval Park	2,500,000	-	-	500,000	-	2,000,000
O-24-42	Various Road Improvements	2,700,000	800,000	-	602,713	-	2,897,287
O-24-54	Acquisition of Real Property Construct Ferry Pier and Dock	6,000,000	-	-	-	6,000,000	-
O-24-59	63rd Street Flood Resiliency Project	3,000,000	-	-	-	-	3,000,000
O-24-60	Public Safety Tech. & Equipment	2,550,000	-	-	531,414	-	2,018,586
O-24-67	Various Capital Improvements & Acquire Vehicles and Equipment	6,666,500	-	-	-	-	6,666,500
O-25-02	City Hall Water Chiller and HVAC	-	3,095,200	-	-	-	3,095,200
		$ 49,709,708	$ 3,895,200	$ 311,581	$ 1,689,223	$ 6,000,000	$ 45,604,104
	Ref	C	C-5, C-10	C-4, C-5	C-2, C-6a	C-18	C

CITY OF BAYONNE **Exhibit D-5**
PARKING UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF CASH AND CASH EQUIVALENTS

	Ref.	Parking Utility Operating	Parking Utility Capital
Increased by Cash Receipts:			
Parking Utility Revenues	D-2	$ 2,452,933	$ -
Interfunds Advanced	D-7	100	-
Interest Revenue	D-15	-	82
		2,453,033	82
Decreased by Cash Disbursements:			
Interfunds Returned	D-8, D-15	2,368,631	97,944
		2,368,631	97,944
Net Change in Cash		84,402	(97,862)
Balance: December 31, 2024	D	1,514,135	140,058
Balance: December 31, 2025	D	$ 1,598,537	$ 42,196

CITY OF BAYONNE
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit D-6

ANALYSIS OF PARKING UTILITY CAPITAL CASH AND CASH EQUIVALENTS

	Balance Dec. 31, 2024	Cash Receipts	Improvement Authorizations	Cash Disbursements	Transfers From	Transfers To	Balance Dec. 31, 2025
Interfunds	$ 18	$ 82	$ -	$ 100	$ -	$ -	$ -
Reserve For Encumbrance	39,347	-	-	-	39,347	-	-
Fund Balance	100,007	-	-	-	-	-	100,007
Improvement Authorizations:							
11/20/2021 O-21-51: Citywide Meter Improvements	686	-	-	-	-	39,347	40,033
12/18/2024 O-24-66: Vehicles & Equipment	-	-	97,844	-	-	-	(97,844)
	$ 140,058	$ 82	$ 97,844	$ 100	$ 39,347	$ 39,347	$ 42,196
	D; D-5	D-5	D-12	D-5			D; D-5

CITY OF BAYONNE **Exhibit D-7**
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF INTERFUNDS

	Ref.	Total	Unemployment Trust	Current Fund	Utility Capital
Increased by:					
Cash Disbursements	D-5	$ 2,368,631	$ 10,000	$ 2,358,631	$ -
Interest Revenue	D-2	82	-	-	82
		2,368,713	10,000	2,358,631	82
Decreased by:					
Cash Receipts	D-5	100	-	-	100
Budget Appropriation:					
Unemployment Trust	D-3	5,000	5,000	-	-
Appropropriations Paid by Current Fund					
Appropriation Reserves	D-8	24,067	-	24,067	-
Current Budget	D-3	2,334,564	-	2,334,564	-
		2,363,731	5,000	2,358,631	100
Net Change in Interfunds		4,982	5,000	-	(18)
Balance: December 31, 2024					
Interfunds Receivable	D	18	-	-	18
Interfunds Payable	D	5,000	5,000	-	-
Balance: December 31, 2025		$ -	$ -	$ -	$ -

CITY OF BAYONNE **Exhibit D-8**
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF APPROPRIATION RESERVES

	Balance: December 31, 2024		Balance after	Paid or	Balance
	Reserved	Encumbered	Transfers	Charged	Lapsed
Operating:					
Salaries and Wages	$ 52,231	$ -	$ 52,231	$ -	$ 52,231
Other Expenses	80,355	23,871	104,226	24,067	80,159
Other Insurance	33,304	-	33,304	-	33,304
	165,890	23,871	189,761	24,067	165,694
Statutory Expenditures:					
Social Security (O.A.S.I.)	1,199	-	1,199	-	1,199
	$ 167,089	$ 23,871	$ 190,960	$ 24,067	$ 166,893
	D	D-9		D-7	D-1

CITY OF BAYONNE **Exhibit D-9**
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	Ref.		
Balance: December 31, 2024	D	$	23,871
Increased by Receipts:			
Current Year Appropriations	D-3		50,874
			74,745
Decreased by Disbursements:			
Prior Year Budget Appropriation	D-8		23,871
Balance: December 31, 2025	D	$	50,874

SCHEDULE OF RESERVE FOR DEBT SERVICE **Exhibit D-10**

	Ref.		
Balance: December 31, 2025 and 2024	D	$	9,624

CITY OF BAYONNE **Exhibit D-11**
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF ACCRUED INTEREST

	Ref.	
Balance: December 31, 2024	D	$ 16,479
Increased by:		
Interest on Bonds	D-3	10,750
		27,229
Decreased by:		
Prior Year Accrual Realized in Prior Year	D-3	16,479
Balance: December 31, 2025	D	$ 10,750

Principal Outstanding Dec. 31, 2025	Interest Rate	Accrual Period From	To	Months	Accrual Amount
$ 575,000	Multi-Rate Bond	08/01/2025	12/31/2025	5	$ 10,750

CITY OF BAYONNE
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit D-12

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance		Balance: December 31, 2024			Paid or	Balance: December 31, 2025	
Date	Amount	Funded	Unfunded	Encumbered	Charged	Funded	Unfunded
O-21-51: Citywide Meter Improvements							
11/20/2021	$ 515,000	$ 686	$ -	$ 39,347	$ -	$ 40,033	$ -
O-24-66: Vehicles & Equipment							
12/18/2024	250,000	-	250,000	-	97,844	-	152,156
		$ 686	$ 250,000	$ 39,347	$ 97,844	$ 40,033	$ 152,156
		D	D	D-19	D-15	D	D

CITY OF BAYONNE **Exhibit D-13**
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2024	Balance Dec. 31, 2025
Parking Lots	$ 1,308,151	$ 1,308,151
Parking Lots Improvements	2,401,172	2,401,172
Meters and Equipment	837,599	837,599
Office Equipment	33,206	33,206
Transportation Equipment	319,902	319,902
Capital Projects	454,831	454,831
	$ 5,354,861	$ 5,354,861
	D	D

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED **Exhibit D-14**

Improvement Description	Date	Balance Dec. 31, 2024	Balance Dec. 31, 2025
Purchase of Parking Lot from Board of Education	2007	$ 450,000	$ 450,000
Construction Projects	2007	659,965	659,965
O-21-51: Citywide Meter Improvements	11/20/2021	515,000	515,000
O-24-66: Vehicles & Equipment	2024	250,000	250,000
		$ 1,874,965	$ 1,874,965
		D	D

CITY OF BAYONNE **Exhibit D-15**
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF INTERFUNDS

	Ref.	Total	Current Fund	Utility Operating
Increased by:				
Cash Disbursements	D-5	$ 97,944	$ 97,844	$ 100
Decreased by:				
Expenditures Paid by Current Fund	D-12	97,844	97,844	-
Interest Received	D-5	82	-	82
		97,926	97,844	82
Net Change in Interfunds		18	-	18
Balance: December 31, 2024				
Interfunds Payable	D	18	-	18
Balance: December 31, 2025	D	$ -	$ -	$ -

CITY OF BAYONNE
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit D-16

SCHEDULE OF PARKING REVENUE SERIAL BONDS PAYABLE

Purpose	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2025 Maturity Date	Maturities of Bonds Outstanding December 31, 2025 Principal Amount	Interest Rate	Balance Dec. 31, 2024	Paid By Budget Appropriation	Balance Dec. 31, 2025
Parking Utility Refunding Bonds, Series 2015	06/10/15	$ 2,530,000	08/01/2026	280,000	5.000%	$ 850,000	$ 275,000	$ 575,000
			08/01/2027	295,000	4.000%			
						$ 850,000	$ 275,000	$ 575,000
						D	D-18	D

CITY OF BAYONNE **Exhibit D-17**
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Improvement Description	Date	Balance Dec. 31, 2024	Balance Dec. 31, 2025
Purchase of Parking Lot from Board of Education	2007	$ 450,000	$ 450,000
Construction Projects	2007	659,965	659,965
O-21-51: Citywide Meter Improvements	11/20/2021	515,000	515,000
		$ 1,624,965	$ 1,624,965
		D	D

SCHEDULE OF RESERVE FOR AMORTIZATION **Exhibit D-18**

	Ref.	
Balance: December 31, 2024	D	$ 4,504,861
Increased by:		
Serial Bond Principal Amortization	D-16	275,000
Balance: December 31, 2025	D	$ 4,779,861

CITY OF BAYONNE **Exhibit D-19**
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	Ref.	
Balance: December 31, 2024	D	$ 39,347
Decreased by:		
Improvement Authorizations	D-12	39,347
Balance: December 31, 2025	D	$ -

CITY OF BAYONNE **Exhibit E-3**
WATER AND SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF CASH AND CASH EQUIVALENTS

	Ref.	Water and Sewer Utility Operating	Water and Sewer Utility Capital
Increased by Cash Receipts:			
Loans Receivable	E-10, E-11	$ -	$ 543,653
Interfund Loans Advanced	E-7	-	545,500
Interest Revenue	E-7	-	1,391
		-	1,090,544
Decreased by Cash Disbursements:			
Interfunds Returned	E-7	-	1,039,125
		-	1,039,125
Net Change in Cash		-	51,419
Balance: December 31, 2024	E	-	-
Balance: December 31, 2025	E	$ -	$ 51,419

CITY OF BAYONNE
WATER AND SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit E-4

ANALYSIS OF WATER AND SEWER UTILITY CAPITAL CASH AND CASH EQUIVALENTS

	Balance Dec. 31, 2024	Cash Receipts	Improvement Authorizations	Transfers From	Transfers To	Balance Dec. 31, 2025
Interfunds	$ -	$ 546,891	$ -	$ -	$ -	$ 546,891
Reserve For Encumbrance	-	-	-	-	7,588,955	7,588,955
Improvement Authorizations:						
3/19/2025 O-25-16: Lead Service Line Replacement	-	543,653	1,039,125	7,588,955	-	(8,084,427)
	$ -	$ 1,090,544	$ 1,039,125	$ 7,588,955	$ 7,588,955	$ 51,419
	E; E-3	E-3	E-8			E; E-3

CITY OF BAYONNE **Exhibit E-5**
WATER AND SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF INTERFUNDS

	Ref.	Total	Unemployment Trust	Current Fund	Water and Sewer Utility Capital
Increased by:					
Interest Revenue	E-2	$ 1,391	$ -	$ -	$ 1,391
Net Change in Interfunds		1,391	-	-	1,391
Balance: December 31, 2024	E	-	-	-	-
Balance: December 31, 2025					
Interfunds Receivable	E	$ 1,391	$ -	$ -	$ 1,391

CITY OF BAYONNE
WATER AND SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit E-6

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Date	Balance Dec. 31, 2024	Current Year Authorization	Balance Dec. 31, 2025
O-25-16: Lead Service Line Replacement Project	3/19/2025	$ -	$ 13,000,000	$ 13,000,000
		$ -	$ 13,000,000	$ 13,000,000
		E	E-8	E

CITY OF BAYONNE **Exhibit E-7**
WATER AND SEWER CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF INTERFUNDS

	Ref.	Total	Current Fund	Geneal Capital Fund	Water and Sewer Utility Operating
Increased by:					
Cash Disbursements	E-3	$ 1,039,125	$ 1,039,125	$ -	$ -
Decreased by:					
Advance for Cash Flows	E-3	545,500	-	545,500	-
Expenditures Paid by Current Fund	E-8	1,039,125	1,039,125	-	-
Interest Received	E-3	1,391	-	-	1,391
		1,586,016	1,039,125	545,500	1,391
Net Change in Interfunds		(546,891)	-	(545,500)	(1,391)
Balance: December 31, 2024	E	-	-	-	-
Balance: December 31, 2025					
Interfunds Payable	E	$ 546,891	$ -	$ 545,500	$ 1,391

CITY OF BAYONNE
WATER AND SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit E-8

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance		Balance: December 31, 2024		Current Year	Paid or	Balance: December 31, 2025	
Date	Amount	Funded	Unfunded	Authorizations	Charged	Encumbered	Unfunded
O-25-16: Lead Service Line Replacement Project							
3/19/2025	$ 13,000,000	$ -	$ -	$ 13,000,000	$ 1,039,125	$ 7,588,955	$ 4,371,920
		$ -	$ -	$ 13,000,000	$ 1,039,125	$ 7,588,955	$ 4,371,920
		E	E	E-6, E-11	E-7	E-9	E

CITY OF BAYONNE **Exhibit E-9**
WATER AND SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	Ref.	
Balance: December 31, 2024	E	$ -
Increased by:		
Improvement Authorizations	E-8	7,588,955
Balance: December 31, 2025	E	$ 7,588,955

CITY OF BAYONNE
WATER AND SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit E-10

SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK LOANS PAYABLE - INTERIM CONSTRUCTION LOANS

Description of Loan	Total Loan At Initial Amortization		Maturities of Bonds Outstanding December 31, 2025					Balance Dec. 31, 2024	Interim Construction Loan Draw	Balance Dec. 31, 2025
				Trust Loan			Fund Loan			
	Description	Amount	Date	Interest Rate	Interest	Principal	Principal			
O-25-16: Lead Service Line Replacement Project	Initial Award	$ 13,000,000	Amortization not yet finalized.					$ -	$ 543,653	$ 543,653
								$ -	$ 543,653	$ 543,653
							Ref	E	E-3, E-11	E

CITY OF BAYONNE **Exhibit E-11**
WATER AND SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Description	Balance Dec. 31, 2024	Increased by: Debt Authorized	Decreased by: Interim Construction Loan Draw	Balance Dec. 31, 2025
Water and Sewer Utility Improvements					
O-25-16	Lead Service Line Replacement Project	$ -	$ 13,000,000	$ 543,653	$ 12,456,347
		$ -	$ 13,000,000	$ 543,653	$ 12,456,347
	Ref	E	E-8, E-10	E-3, E-10	E

CITY OF BAYONNE **Exhibit F-1**
GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY CLASS

	Balance Dec. 31, 2024	Additions	Deletions	Balance Dec. 31, 2025
Land	$ 32,233,607	$ 96,729,563	$ -	$ 128,963,170
Buildings and Improvements	107,292,926	43,715	-	107,336,641
Vehicles and Equipment	22,007,853	4,455,762	397,233	26,066,382
	$ 161,534,386	$ 101,229,040	$ 397,233	$ 262,366,193
Ref.	F	F-2	F-2	F

SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS **Exhibit F-2**

	Ref.	
Balance: December 31, 2024	F	$ 161,534,386
Increased by:		
Additions	F-1	101,229,040
		262,763,426
Increased by:		
Disposals	F-1	397,233
Balance: December 31, 2025	F	$ 262,366,193

CITY OF BAYONNE
BAYONNE PUBLIC LIBRARY AGENCY
FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit G

SCHEDULE OF AGGREGATION OF LIBRARY FUNDS ON RESERVE

	Total	2024 Budget Appropriation	2025 Budget Appropriation	Unexpended Prior Year Appropriatons Due to Library	Library Capital Reserves	Contracts Payable	Reserve for State Library Aid	Reserve for Library Fines and Fees	NJ State Library - ARPA Funds Community Center Digital - Connect Grant (Library) Appropriated Reserves	NJ State Library - ARPA Funds Community Center Digital - Connect Grant (Library) Unappropriated Reserves
Increased by:										
Budget Appropriation	$ 5,986,008	$ -	$ 3,613,410	$ -	$ -	$ -	$ -	$ -	$ 2,372,598	$ -
Funded by Budget Appropriation	-	-	-	-	-	-	-	-	-	-
Interest on Grant Deposits	484	-	-	-	-	-	-	-	-	484
Cash Receipts	48,624	-	-	-	-	-	38,818	9,806	-	-
Unexpended Budget Reserved for Future Use	760,740	-	-	760,740	-	-	-	-	-	-
Contracts Reserves	-	-	-	-	-	-	-	-	-	-
Reserved to Capital from Library Budgets	-	-	-	-	-	-	-	-	-	-
Prior Year Encumbrances	86,509	86,509	-	-	-	-	-	-	-	-
	6,882,365	86,509	3,613,410	760,740	-	-	38,818	9,806	2,372,598	484
Decreased by:										
Cash Disbursements	2,995,970	19,877	2,856,943	-	-	-	-	17,500	101,650	-
Unexpended Budget Reserved for Future Use	760,740	760,740	-	-	-	-	-	-	-	-
Reclassed to Capital by Resolution	-	-	-	-	-	-	-	-	-	-
Reclass Contract Payable at Year End	-	-	-	-	-	-	-	-	-	-
Grant Appropriated-Applied to Grant Receivab	541,475	-	-	-	-	-	-	-	-	541,475
Encumbered at Year End	75,253	-	75,253	-	-	-	-	-	-	-
	4,373,438	780,617	2,932,196	-	-	-	-	17,500	101,650	541,475
Net Change in Interfunds	2,508,927	(694,108)	681,214	760,740	-	-	38,818	(7,694)	2,270,948	(540,991)
Balance: December 31, 2024	3,224,287	694,108	-	1,174,917	578,473	10,439	163,724	61,045	-	541,581
Balance: December 31, 2025	$ 5,733,214	$ -	$ 681,214	$ 1,935,657	$ 578,473	$ 10,439	$ 202,542	$ 53,351	$ 2,270,948	$ 590
Ref.		A-15	A-3	A-29	A-29	A-17	B-22	B-22	A-34	A-35

Analysis of Library Grants Receivable	
Grant Receivable Anticipated	$ 2,372,598
Less: Unappropriated Grant Receipts Applied	541,475
Grant Receivable at Year End	$ 1,831,123
	A-33

CITY OF BAYONNE

REPORT OF AUDIT

SUPPLEMENTARY INFORMATION:
GOVERNMENT AUDITING STANDARDS

DONOHUE GIRONDA DORIA TOMKINS LLC

CERTIFIED PUBLIC ACCOUNTANTS AND
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the accompanying financial statements – regulatory basis of the City of Bayonne, New Jersey (the "City"), which comprise the comparative balance sheets – regulatory basis, of each Fund and comparative statement of General Fixed Assets as of December 31, 2025 and 2024, and the related comparative statement of operations and changes in fund balance – regulatory basis, statement of revenues – regulatory basis and statement of appropriations – regulatory basis, of the Current Fund, Parking Utility Operating Fund and Water and Sewer Utility Capital Fund, and the related statement of changes in fund balance – regulatory basis, of the General Capital Fund, Parking Utility Capital Fund and Water and Sewer Utility Capital Fund, for the years then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 25, 2026.

As described in Note 1, the City prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a special purpose framework of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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

Purpose of this Report

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

Donohue Gironda Doria Tomkins

DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants

Mark Bednarz

MARK W. BEDNARZ
RMA No. 547

Bayonne, New Jersey
September 25, 2026

CITY OF BAYONNE

REPORT OF AUDIT

SUPPLEMENTARY INFORMATION:
UNIFORM GUIDANCE & NJ OMB 25-12

DONOHUE GIRONDA DORIA TOMKINS LLC

CERTIFIED PUBLIC ACCOUNTANTS AND
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 25-12

To the Honorable Mayor and
Members of the City Council
Bayonne, 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 Bayonne, New Jersey's (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the N.*J. OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the City's major federal and State programs for the year ended December 31, 2025. The City's major federal and State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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, 2025.

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; the audit requirements of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); the 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 N.J. OMB Circular 25-12 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJ OMB 25-12)*. Our responsibilities under those standards, the Uniform Guidance and NJ OMB 25-12 are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of City 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 City'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, regulations, rules, and provisions of contracts or grant agreements applicable to the City'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'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*, the auditing requirements of the, Uniform Guidance and NJ OMB 25-12 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 omissions, misrepresentations, 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'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, the auditing requirements of the Division, the Uniform Guidance and NJ OMB 25-12, we:

- Exercise professional judgment 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'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'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 Uniform Guidance and NJ OMB 25-12, but not for the purpose of expressing an opinion on the effectiveness of the City'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 the Uniform Guidance and N.J. OMB Circular 25-12. Accordingly, this report is not suitable for any other purpose.

DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants

MARK W. BEDNARZ
RMA No. 547

Bayonne, New Jersey
September 25, 2026

CITY OF BAYONNE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 1
Sheet 1 of 3

Federal and Pass-through Grantor Program or Cluster Title and Grant Period		Federal Assistance Listing Number	Pass-through Entity Identifying Number	Program or Award Amount	Provided to Subrecipients	Matching Funds Expended	Grant Funds Expended	Cumulative Expenditures
Department: Housing and Urban Development								
Cluster: CDBG - Entitlement Grants Cluster								
Passed through: Direct Award								
Program: Community Development Block Grant								
*	*	14.218	*	$ 12,997,605	$ -	$ -	$ 1,379,206	$ 12,245,346
Total CDBG - Entitlement Grants Cluster & CFDA 14.218					-	-	1,379,206	
Cluster: None								
Passed through: Direct Award								
Program: Economic Development Initiative - Community Project Funding (CPF)								
Russell Golding Park Project (B-22-CP-NJ-0598)								
*	*	14.251	*	5,000,000	-	-	91,326	93,632
					-	-	91,326	
Total U.S. Department of Housing and Urban Development ….					$ -	$ -	$ 1,470,532	
Department: Justice								
Cluster: None								
Passed through: Direct Award								
Program: Bulletproof Vest Partnership								
01/01/23	12/31/23	16.607	*	$ 46,922	$ -	$ -	$ 25,415	$ 41,616
Total CFDA 16.607					-	-	25,415	
Cluster: None								
Passed through: Direct Award								
Program: Community Oriented Policing Services (COPS):								
Cops Hiring Grant								
2022	2022	16.710	*	1,500,000	-	-	39,225	1,500,000
Cops Hiring Grant - Matching Funds								
2025	2025	16.710	*	1,587,166	-	768,835	-	768,835
COPS Technology and Equipment Program								
*	*	16.710	*	1,030,000	-	-	1,030,000	-
Total CFDA 16.710					-	768,835	1,069,225	
Cluster: None								
Passed through: Direct Award								
Program: Justice Assistance Grant								
01/01/25	12/31/25	16.738	*	20,275	-	-	20,275	20,275
Total CFDA 16.738					-	-	20,275	
Total U.S. Department of Justice ….					$ -	$ 768,835	$ 1,114,915	

Federal and Pass-through Grantor Program or Cluster Title and Grant Period		Federal Assistance Listing Number	Pass-through Entity Identifying Number	Program or Award Amount	Provided to Subrecipients	Matching Funds Expended	Grant Funds Expended	Cumulative Expenditures
Department: Treasury								
Cluster: None								
Passed through: Direct Award								
Program: Federal Equitable Sharing:								
Treasury: Customs and Border Control								
07/01/21	06/30/22	21.016	*	$ 117,988	$ -	$ -	$ 9,620	$ 91,717
Total CFDA 21.016					-	-	9,620	
Cluster: None								
Passed through: NJ State Library								
Program: American Rescue Plan (ARP) - Coronavirus Capital Projects Fund								
*	*	21.029	*	2,372,598	-	-	101,650	101,650
Total CFDA 21.029					-	-	101,650	
Total United States Department of Treasury ….					$ -	$ -	$ 111,270	

Federal and Pass-through Grantor Program or Cluster Title and Grant Period		Federal Assistance Listing Number	Pass-through Entity Identifying Number	Program or Award Amount	Provided to Subrecipients	Matching Funds Expended	Grant Funds Expended	Cumulative Expenditures
Department: Health and Human Services								
Cluster: Aging Cluster								
Passed through: County of Hudson								
Program: Area Plan Grant - Older American Act								
01/01/18	12/31/18	93.044	*	$ 258,906	$ -	$ -	$ (580)	$ 254,968
01/01/21	12/31/21	93.044	*	149,391	-	-	(449)	147,740
01/01/23	12/31/23	93.044	*	186,386	-	-	(345)	149,719
01/01/24	12/31/24	93.044	*	142,740	-	-	12,853	140,956
Total Area Plan Grant - Older American Act (CFDA 93.044)					-	-	11,479	
Cluster: Aging Cluster								
Passed through: County of Hudson								
Program: Nutrition Services Incentive Program								
Congregate Meals Program								
01/01/24	12/31/24	93.053	*	581,967	-	-	40,204	490,177
01/01/25	12/31/25	93.053	*	390,111	-	-	349,474	349,474
Congregate Meals Program- Matching								
01/01/25	12/31/25	93.053	*	97,528	-	97,528	-	97,528
Total CFDA 93.053					-	97,528	389,678	
Total Aging Cluster					-	97,528	401,157	
Total U.S. Department of Health and Human Services ….					$ -	$ 97,528	$ 401,157	
TOTAL FEDERAL AWARDS ….					$ -	$ 866,363	$ 3,097,874	

* Not Available.

CITY OF BAYONNE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 2
Sheet 1 of 2

State Grant or Program Title and Grant Period		State Account Number or Program Code	Program or Award Amount	Provided to Subrecipients	Matching Funds Expended	Grant Funds Expended	Cumulative Expenditures
Department of Community Affairs							
Urban Enterprise Zone (UEZ)							
01/01/23	12/31/23	763-022-8030-060-090320	$ 1,727,813	$ -	$ -	$ 175,911	$ 175,911
01/01/24	12/31/24	763-022-8030-060-090320	537,532			576,652	337,341
				-	-	752,563	
Total Department of Community Affairs ….				$ -	$ -	$ 752,563	
Department of Law and Public Safety							
State Forfeiture Funds - Division of Criminal Justice							
2025	2025	*	20,500	-	-	20,500	20,500
				-	-	20,500	
Total Department of Law and Public Safety ….				$ -	$ -	$ 20,500	
Department of Environmental Protection							
Recycling Tonnage Grant							
07/01/25	06/30/26	100-042-4910-224-238490	$ 94,298	$ -		$ 94,298	$ -
Clean Communities Act							
01/01/25	12/31/25	765-042-4900-004-178910	141,400	-	-	141,400	141,400
Green Acres Grant							
Green Acres Grant Program							
01/01/21	*	*	750,000	-	-	(80,907)	199,631
Ordinance No. 22-10							
*	*	*	1,200,000	-	-	164,625	745,525
				-	-	83,718	
Total Department of Environmental Protection ….				$ -	$ -	$ 319,416	

CITY OF BAYONNE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

State Grant or Program Title and Grant Period		State Account Number or Program Code	Program or Award Amount	Provided to Subrecipients	Matching Funds Expended	Grant Funds Expended	Cumulative Expenditures
Department of Transportation							
Program: Local Freight Impact Fund (LFIF) - New Hook Road (Ord. 22-10)							
2022	2022	480-078-6320	$ 3,900,000	$ -	$ -	$ 279,164	$ 1,289,004
Program: Local Freight Impact Fund (LFIF) - Peninsula Harbor							
2022	2022	480-078-6320	994,331	-	-	72,884	687,160
Total Department of Transportation ….				$ -	$ -	$ 352,048	
Office of Informaton Technology - Emergency Telecommunicatons Services							
Homeland Security - Public Safety Answering Point Grant							
2022	completion	*	$ 288,328	$ -	$ -	$ 119,495	$ 119,495
Total Department of Health ….				$ -	$ -	$ 119,495	
TOTAL STATE FINANCIAL ASSISTANCE ….				$ -	$ -	$ 1,564,022	

* Not Available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Accounting functions for the grants are performed by the City's Finance Office. Grant and program cash funds may be commingled with the City's other funds provided each grant is accounted for separately within the City's financial records.

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

REPORTING ENTITY

The City, for purposes of the Schedule of Expenditures of Federal Awards and State Financial Assistance, includes all the funds of the primary government as defined by criteria established by the Governmental Accounting Standards Board , but does not include component units, in accordance with accounting practices prescribed by the Division. The City is the reporting entity for federal award and state financial assistance programs received. Administration of the grant programs is performed by the various departments of the City.

NOTE 2. INDIRECT COST RATE

The City is not utilizing the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the "Schedules") includes the grant award activity of the City under programs of the federal and state government for the year ended December 31, 2025. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the provisions of the New Jersey OMB Circular Letter 25-12, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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 on the Schedule of expenditures of State Financial Assistance. Because the Schedules present only a selected portion of the operations of the City, it is not intended to and does not present the financial position or changes in fund balance of the City.

NOTE 4. PASS-THROUGH AWARDS

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

NOTE 5. CONTINGENCIES

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

NOTE 6. MONITORING OF SUBRECIPIENTS

Under the requirements of the Single Audit Act and State regulations, if the City, as a primary recipient, receives federal and state financial assistance and provides $1,000,000 or more of such assistance to a subrecipient in a fiscal year, the City is responsible for determining that the expenditures of federal and state monies passed-through to subrecipients are utilized in accordance with applicable laws and regulations.

NOTE 7. FEDERAL AND STATE SINGLE AUDIT REQUIRED

The City's total expenditures for Federal Awards and State Financial Assistance each exceeded $1,000,000, and therefore a Single Audit of both Federal and State Programs was required pursuant to the Uniform Guidance and NJ New Jersey OMB Circular Letter 25-12.

CITY OF BAYONNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with:			
US GAAP:	Adverse - for all funds and general fixed assets.		
Financial reporting provisions of the NJ DLGS:	Unmodified - for all funds and general fixed assets.		
Internal control over financial reporting:			
1) Material weakness(es) identified?	Yes	✓	No
2) Significant deficiency(ies) identified?	Yes	✓	None Reported
Noncompliance material to financial statements noted?	Yes	✓	No

Federal Awards

Internal Control over major federal programs:			
1) Material weakness(es) identified?	Yes	✓	No
2) Significant deficiency(ies) identified?	Yes	✓	None Reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes	✓	No
Type of auditor's report issued on compliance for major federal programs:	Unmodified for all major federal programs.		

Identification of major Federal programs:

Name of Federal Program or Cluster	Federal Assistance Listing Numbers
CDBG Entitlement Grants Cluster ….	14.218
Public Safety Partnership and Community Policing Grants (COPS Office Grants) ….	16.710

Dollar threshold used to distinguish between Type A and Type B Programs:	$ 1,000,000		
Auditee qualified as low-risk auditee?	Yes	✓	No

CITY OF BAYONNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section I - Summary of Auditor's Results

(continued)

State Financial Assistance

Internal Control over Compliance:			
1) Material weakness(es) identified?	Yes	✓	No
2) Significant deficiency(ies) identified?	Yes	✓	None Reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB 25-12, as amended?	Yes	✓	No

Type of auditor's report issued on compliance for major State programs: Unmodified for all major State programs.

Identification of major State programs

Name of State Program	State Grant Number
Urban Enterprise Zone (UEZ) ….....	763-022-8030-060 (Program Code 090320)

Dollar threshold used to distinguish between Type A and Type B Programs: $ 1,000,000

Section II - Schedule of Financial Statement Findings

(*This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts and grant agreements, and abuse related to the financial statements for which* Government Auditing Standards *requires reporting.)*

No reportable findings noted.

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

(This section identifies audit findings required to be reported by the 2 CFR 200.516(a) and New Jersey OMB Circular 25-12.)

No reportable findings noted.

CITY OF BAYONNE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

Status of Prior Year Findings

(This section identifies the status of prior-year audit findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 4 of Government Auditing Standards*, 2 CFR 200.516(a) and New Jersey OMB Circular 15-08.)*

Finding 2024-001:
Financial Closing and Reporting
Significant Deficiency in Internal Control over Financial Reporting

Condition: Subsidiary ledger balances often did not agree with general ledger control accounts. Material adjusting audit entries were required in Trust Fund reserves, General Capital Fund and Parking Utility Capital Fund improvement authorizations and Current Fund tax account balances.

Current Year Status: This finding was corrected in the current year.

Finding 2024-002:
Single Audit – Major Program Compliance
Noncompliance of Major Program – (L) Reporting
U.S. Department of Housing and Urban Development (HUD)
- CDBG - Entitlement Grants Cluster
- Assistance Listing No 14.218: Community Development Block Grant
- Direct Award

Condition: The City is not in compliance with Federal requirements regarding the submission of Federal Financial Reports.

Current Year Status: This finding was corrected in the current year.

CITY OF BAYONNE

REPORT OF AUDIT

SUPPLEMENTARY INFORMATION:
LETTER OF COMMENTS AND RECOMMENDATIONS

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

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

The current threshold amount as adjusted by the Governor is $53,000. The City has appointed a Qualified Purchasing Agent and has passed a resolution raising its bid threshold to the maximum allowable amount of $53,000.

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

The governing body of the City has the responsibility of determining whether the expenditures in any category will exceed $53,000 within the fiscal year. Where questions arise as to whether any contract or agreement might result in a violation of the Statute, the opinion of City Counsel should be sought before a commitment is made. The minutes indicate that bids were requested by public advertisement and contracts awarded for the following items:

- Emergency Generators
- Chevrolet Versalift 6500
- Improvements to Broadway Phase II
- Bayonne Bay East (Peninsula) Site Preparation
- Phase III Waterfront Walkway
- Lead Service Line Replacement
- Recreation Summer Camp Event Transportation
- Cleaning Services, Police Department
- Alterations to Stepping Stone Academy
- Solid Waste Collection
- Improvements to Rusell Golding Park

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of $53,000, "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those for which bids had been previously sought by public advertisements or for which a resolution had been previously adopted under the provision of N.J.S.A. 40A:11-6.

N.J.S.A. 40A:11-12 states: "Any contracting unit under this act [the City] may without advertising for bids, or having rejected all bids obtained pursuant to advertising therefore, purchase any goods or services under any contract or contracts for such goods or services entered into on behalf of the State by the Division of Purchase and Property in the Department of the Treasury."

CONTRACTS AND AGREEMENTS EXCEPTED FROM PUBLIC ADVERTISEMENT FOR BIDS PER N.J.S.A. 40A:11-5, et seq., 40A:11-6.1(b) AND 40A:11-12

When utilizing state contracts, as the contracts are commonly referred to, the City is required to place its order with the vendor offering the lowest price, including delivery charges, that best meets the City's requirements, and is also required to document such with specificity prior to placing the order. The minutes indicate resolutions were adopted authorizing the awarding of contracts or agreements for "state contracts" per N.J.S.A. 40A:11-12.

N.J.S.A. 40A:11-5.1(a)(i) states: "Any contract the amount of which exceeds the bid threshold, may be negotiated and awarded by the governing body without public advertising for bids and bidding therefor and shall be awarded by resolution of the governing body if the subject matter thereof consists of professional services. The governing body shall in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in the official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the clerk." The minutes indicate resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "professional services" per N.J.S.A. 40A:11-5.

There are additional exceptions noted in N.J.S.A. 40A:11-5, et seq., for contracts which may be negotiated and awarded by resolution of the governing body without public advertising for bids. The City has also awarded contracts under other exceptions noted in N.J.S.A. 40A:11-5.

N.J.S.A. 40A:11-6.1(b) states: "When in excess of the bid threshold, and after documented effort by the contracting agent [the City] to secure competitive quotations, a contract for extraordinary unspecifiable services may be awarded upon a determination in writing by the contracting agent that the solicitation of competitive quotations is impracticable. Any such contract shall be awarded by resolution of the governing body."

N.J.S.A. 40A:11-5.1(a)(ii) further states: "The governing body shall in each instance state supporting reasons for its action in the resolution awarding each [extraordinary unspecifiable service] contract and reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed…a brief notice of the award of such contract." The notice shall be printed once, in the official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the clerk. The minutes indicate resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "extraordinary unspecifiable services" per N.J.S.A. 40A:11-6.1(b) as follows:

EXPENDITURE LESS THAN BID THRESHOLD, BUT 15% OR MORE OF THAT AMOUNT PER N.J.S.A. 40A:11-6.1

N.J.S.A. 40A:11-6.1 states: "For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, except for paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting unit shall award the contract after soliciting at least two competitive quotations, if practicable." The City advised us that quotations were, for the most part, solicited for items, the cost of which was $7,950 or more, within the terms of N.J.S.A. 40A:11-6.1.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

Statutes provide the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes, or assessments on or before the date when they would become delinquent.

The governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

> "In all cases, interest shall be calculated and charged at the rates of 8% per annum on the first $1,500 of the delinquency, and 18% per annum on any delinquent amounts in excess of $1,500, to be calculated from the date upon which the taxes first became due and payable to the date that the payment is actually received."

In all instances tested, the collector's records indicate that interest was collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The City held a bulk levy tax sale, and was complete. The following comparison is made of the number of tax title liens receivable for the most recent five years:

Year Ended	Number of Liens
Dec. 31, 2025	7
Dec. 31, 2024	7
Dec. 31, 2023	7
Dec. 31, 2022	7
Dec. 31, 2021	7

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.

CHANGE ORDERS EXCEEDING 20 PERCENT OF ORIGINALLY AWARDED CONTRACT PRICE

Change orders exceeding the originally awarded contract price by more than 20% are allowed only in limited instances. The authorization process requires a resolution of the governing body and an affidavit of publication for notice in an officially designated newspaper of the entity. The City has certified in its 2026 the following change orders which exceeded 20% of the originally awarded contract during 2025:

- Peninsula at Bayonne Harbor Port Access Road
- East 25th Street Bridge Replacement Project

FINDING 2025-001: Purchasing and Procurement Documentation

Testing of the City's purchasing and procurement procedures identified two contracts awarded through a non-fair and open process for which supporting documentation was not provided for audit review. In addition, the procurement file for one publicly bid contract did not contain two forms required under applicable public contracting requirements. Accordingly, compliance with applicable procurement laws and regulations could not be fully substantiated for these contract awards.

Recommendation:

The City should ensure that all documentation required to support publicly bid and non-fair and open contract awards is properly maintained and readily available for audit review in accordance with the Local Public Contracts Law, the Local Unit Pay-to-Play Law and other applicable procurement requirements.

***

FINDING 2025-002: Accumulated Absences

Audit procedures included testing 60 employee accumulated absence liabilities for compliance with applicable State requirements. Of the 60 employee liabilities tested, 13 were calculated using a pay rate other than the employee's pay rate in effect at December 31, 2025. GASB Statement No. 101 generally requires compensated absence liabilities to be measured using the employee's pay rate as of the date of the financial statements.

Recommendation:

The City should ensure that its annual accumulated absence liability is calculated using employee pay rates in effect as of December 31, consistent with GASB Statement No. 101 and the reporting requirements of N.J.A.C. 5:30-15.

***

FINDING 2025-003: PILOT Administration

Audit testing of PILOT agreements identified one or more exceptions in 5 of the PILOTs tested. Within those five PILOTs, four had errors in the calculation or application of land tax credits, two urban renewal entities had not submitted required 2024 auditor reports, one quarterly PILOT payment was not posted to the proper revenue account, and one PILOT was not billed the 2% administrative fee required by its financial agreement.

N.J.S.A. 40A:20-9 requires urban renewal entities to submit annual auditor reports within 90 days after the close of their fiscal year, and N.J.S.A. 40A:20-12 provides for applicable land tax credits based on real estate taxes on land paid in the last four preceding quarterly installments.

Recommendation:

The City should strengthen its review and reconciliation of PILOT billings and collections to ensure that land tax credits are properly calculated, required auditor reports are timely obtained, administrative fees are billed in accordance with applicable financial agreements, and PILOT receipts are posted to the proper revenue accounts. Necessary billing and accounting adjustments should be made for the exceptions noted.

***

Corrective Action

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

Status of Prior Years' Audit Recommendations

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

Schedule of Findings and Questioned Costs

We noted certain other matters that we reported in the accompanying schedule of findings and questioned costs section of this report. Such matters are required to be reported under *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and N.J. OMB Circular 25-12, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*

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