

CITY OF BAYONNE
NEW JERSEY

REPORT OF AUDIT

FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020

**CITY OF BAYONNE
REPORT OF AUDIT
DECEMBER 31, 2021**

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CITY OF BAYONNE

REPORT OF AUDIT

FINANCIAL SECTION

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, 2021 and 2020, 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 and Parking Utility Operating Fund, and the related statement of changes in fund balance – regulatory basis, of the General Capital Fund and Parking Utility Capital Fund, for the years then ended, and the related notes to the financial statements.

Unmodified Opinions on the Current Fund, Federal and State Grant Fund, Trust Funds, General Capital Fund, Parking Utility Operating Fund and Parking Utility Capital Fund on the Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position – regulatory basis, of the Current Fund, Federal and State Grant Fund, Trust Fund, General Capital Fund and Parking Utility Fund of the City as of December 31, 2021 and 2020, the Current Fund’s and Parking Utility Operating Fund’s respective operations and changes in fund balance – regulatory basis, revenues – regulatory basis and appropriations – regulatory basis, and the General Capital Fund’s and Parking Utility Capital Fund’s changes in fund balance – regulatory basis, for the years then ended, in accordance with the financial reporting provisions of the Division as described in Note 1.

Disclaimer of Opinion on General Fixed Assets

Because of the significance of the matter described in the “Basis for Disclaimer of Opinion on General Fixed Assets” section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for an audit opinion on the General Fixed Assets of the City. Accordingly, we do not express an opinion on the General Fixed Assets financial statements.

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, 2021 and 2020, 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.

Basis for Disclaimer of Opinion on General Fixed Assets

As described in Note 12, general fixed assets were not updated by the City in accordance with the requirements of the Division. General fixed asset balances remain on the books in the same amount as at December 31, 2016. The amount by which this departure would affect the City is not reasonably determinable, however it is presumed to be material.

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 15-08, *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 15, 2022, 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, LLC
Certified Public Accountants


MARK W. BEDNARZ
RMA No. 547

Bayonne, New Jersey
September 15, 2022

**CITY OF BAYONNE
CURRENT FUND
AS OF DECEMBER 31, 2021 AND 2020**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	2021		2020
<u>Assets</u>				
Current Fund:				
Cash and Cash Equivalents	A-4	\$ 35,442,985	\$	33,077,493
Cash - Change Funds	A-5	1,050		1,050
Subtotal		35,444,035		33,078,543
Intergovernmental Receivable:				
Due to State: Sr. Citizens and Veterans Deductions	A-18	3,500		-
State Aid	A-10	2,423,047		2,655,514
		2,426,547		2,655,514
Receivables and Other Assets with Full Reserves:				
Delinquent Property Taxes	A-7	1,289,141		1,919,834
Tax Title Liens	A-8	644,976		621,534
Property Acquired for Taxes at Assessed Valuation	A-9	6,473,400		6,473,400
Other Receivables	A-12	345,997		345,997
Revenue Accounts Receivable	A-11	480,703		1,058,759
Interfunds Receivable				
Due from Federal and State Grants Fund	A-14	226,067		5,451,416
Due from Animal Control Fund	A-14	4,986		15,156
Due from Insurance Trust Fund	A-14	567		-
Due from Other Trust Fund	A-14	171,226		-
Total Receivables with Full Reserve		9,637,063		15,886,096
Deferred Charges:				
Revaluation		448,000		598,312
Payroll Tax Deferral		407,005		848,300
Tax Map		43,430		86,860
Emergency - Tropical Storm Ida		350,000		-
Total Deferred Charges	A-13	1,248,435		1,533,472
Total Current Fund Assets		48,756,080		53,153,625
Federal and State Grant Fund:				
Cash and Cash Equivalents	A-4	3,408,497		1,384,502
Federal and State Grants Receivable	A-31	21,161,843		23,980,793
Due from Current Fund	A-34	354		-
Total Federal and State Grant Fund Assets		24,570,694		25,365,295
Total Assets		\$ 73,326,774	\$	78,518,920

See Accompanying Notes to Financial Statements

**CITY OF BAYONNE
CURRENT FUND
AS OF DECEMBER 31, 2021 AND 2020**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		2021		2020
<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>			
Current Fund:				
Appropriation Reserves	A-3; A-15	\$ 3,478,594	\$	5,554,671
Reserve for Encumbrances	A-16	2,280,892		2,363,389
Contracts Payable	A-17	646,282		232,578
Special Emergency Notes Payable	A-30	448,000		598,312
Interfunds Payable				
Due to General Capital Fund	A-14	255,406		-
Due to Parking Utility Capital Fund	A-14	88,456		-
Due to Other Trust Fund	A-14	-		113,580
Prepaid Tax Cost Sale	A-22	153,016		132,979
Due to State of New Jersey:				
Sr. Citizens and Veterans Deductions	A-18	-		22,840
Tax Overpayments	A-20	3,721,632		3,580,365
Prepaid Taxes	A-19	849,929		959,752
Due County for Added and Omitted Taxes	A-25	55,333		95,012
Special Improvement District Taxes Payable	A-26	1,040,941		786,268
Due County for PILOT Fees	A-23	1,329,907		888,133
Payroll Tax Deferral Payable	A-21	407,005		848,300
Reserve for Other	A-29	743,053		571,773
Due to Library	A-27	986,194		234,895
Reserve for Urban Enterprise Funds	A-28	2,559,445		2,883,337
		19,044,085		19,866,184
Reserve for Receivables	contra	9,637,063		15,886,096
Fund Balance	A-1	20,074,932		17,401,345
Total Current Fund Liabilities, Reserves and Fund Balance		48,756,080		53,153,625
Federal and State Grant Fund:				
Interfunds Payable	A-14	229,806		5,451,416
Encumbrances Payable	A-32	3,830,674		2,648,898
Reserve for Federal and State Grants:				
Appropriated	A-32	16,846,450		17,027,292
Unappropriated	A-33	3,663,764		237,689
Total Federal and State Grant Fund Liabilities and Reserves		24,570,694		25,365,295
Total Liabilities, Reserves and Fund Balance		\$ 73,326,774	\$	78,518,920

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

	<u>Ref.</u>	2021	2020
<u>Revenue and Other Income Realized:</u>			
Fund Balance Utilized	A-2a	\$ 7,528,380	\$ 7,000,000
Miscellaneous Revenue Anticipated	A-2a	48,268,130	46,143,827
Receipts from Delinquent Taxes	A-2a	746,282	64,747
Receipts from Current Taxes	A-2a	196,966,217	192,970,557
Non-Budget Revenues	A-2b	3,154,772	2,755,150
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-15	2,604,544	2,285,017
Prior Year Interfunds Returned	A-14	5,466,572	15,172
Prior Year Revenue Accounts Receivable Realized	A-11	1,058,759	1,701,067
Prior Year Bulk Levy Purchaser Receivable Realized	A-12	345,997	403,315
Write off Stale Dated Checks	A-4	17,840	-
Statutory Excess in Animal Control Fund	A-14	6,286	-
Close Various Reserves	A-29	956	-
		266,164,735	253,338,852
<u>Expenditures</u>			
Budgetary and Emergency Appropriations:			
Appropriations within "CAPS"			
Operations			
Salaries and Wages		60,189,680	57,993,804
Other Expenses		31,679,477	32,551,400
Statutory Expenditures		18,737,656	15,934,047
Appropriations Excluded from "CAPS"			
Operations			
Salaries and Wages		786,500	-
Other Expenses		15,265,183	14,483,003
Capital Improvements		850,000	300,000
Municipal Debt Service		13,704,101	13,363,735
Deferred Charges		193,008	193,008
Type 1 School District Debt		10,453,613	10,560,076
	A-3	151,859,218	145,379,073

**CITY OF BAYONNE
 CURRENT FUND
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

		2021	2020
	<u>Ref.</u>		
<u>Expenditures (Continued)</u>			
Local District School Tax	A-24	\$ 70,451,920	\$ 69,409,057
County Tax	A-25	30,653,567	29,022,102
Due County for Added and Omitted Tax	A-25	55,333	95,012
Special Improvement District Tax	A-26	289,543	290,458
Refund of Prior Year Revenue	A-4	1,882	-
Refund to Lienholder - Prior Year Taxes	A-4	1,384,055	-
Bank Charges	A-4	255,252	45,856
Adjust Prepaid Debt Service	A-10	131,718	-
Revenue Account Receivables of Current Year	A-11	480,703	1,058,759
Receivables Reserved - Due from Bulk Levy Purchaser	A-12	345,997	345,997
Apply Note Sale Premium to Deferred Charge	A-13	734	-
Interfunds Advanced Originating in Current Year	A-14	402,846	5,466,572
Overpayments not Collectible		-	939
		256,312,768	251,113,825
Excess in Revenue		9,851,967	2,225,027
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Emergency Appropriations (40A:4-48)			
Tropical Storm Ida	A-3, A-13	350,000	-
Statutory Excess to Fund Balance		10,201,967	2,225,027
Fund Balance, January 1	A	17,401,345	22,176,318
		27,603,312	24,401,345
Decreased by:			
Utilized as Anticipated Revenue	A-2a	7,528,380	7,000,000
Fund Balance, December 31	A	\$ 20,074,932	\$ 17,401,345

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
<u>SURPLUS:</u>				
Surplus Anticipated	\$ 7,528,380	\$ -	\$ 7,528,380	\$ -
<u>MISCELLANEOUS REVENUES:</u>				
<u>LOCAL REVENUES</u>				
Licenses:				
Alcoholic Beverage	76,251	-	71,974	(4,277)
Other	154,826	-	142,629	(12,197)
Fees and Permits	796,153	-	844,032	47,879
Fines and Costs - Municipal Court	1,827,599	-	1,216,909	(610,690)
Interest and Costs on Taxes	409,555	-	999,568	590,013
Interest on Investments and Deposits	94,545	-	40,554	(53,991)
Rents - City Owned Property	119,495	-	86,234	(33,261)
Payments in Lieu of Taxes:				
Bayonne Housing Authority	298,467	-	338,487	40,020
Senior Horizons of Bayonne	50,247	-	50,247	-
Southshore Village/Post Road Gardens	158,113	-	158,113	-
Costco/Bayonne Redev. UR Block 700 LLC	101,430	-	103,459	2,029
Barnabas Bayonne	285,000	-	296,400	11,400
Alexan City View	1,041,865	-	1,291,013	249,148
Platty Kill Manor	233,333	-	233,333	-
Bayonne CommunityAction	10,600	-	13,350	2,750
Bayonne Energy Cener Urban Renewal I	1,509,023	-	1,509,023	-
Bayonne Energy Cener Urban Renewal II	485,977	-	485,977	-
Prince Holdings	294,500	-	515,375	220,875
195 East 22nd Street Urban Renewal	66,450	-	137,698	71,248
Silklofts	200,569	-	204,329	3,760
Tagliareni Building	25,046	-	25,046	-
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	782,599	-	803,780	21,181
PSIP	109,568	-	109,568	-
North Street Porperties	118,750	-	123,625	4,875
230-250 Avenue E	96,711	-	96,711	-
Bayonne 19th Street Urban Renewal	326,049	-	326,049	-
662 Avenue C	44,895	-	87,865	42,970
160 East 22nd Street	104,500	-	104,500	-
190 West 54th - Woodmont	189,202	-	244,678	55,476
Hobart Housing	11,570	-	12,180	610
MHP 22 Avenue E	52,155	-	52,155	-
PSIP Avenue A	179,857	-	179,857	-
Bayonne Equities	211,711	-	55,535	(156,176)
957-965 Broadway	116,248	-	118,206	1,958

See Accompanying Notes to Financial Statements

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
<u>MISCELLANEOUS REVENUES:</u>				
<u>LOCAL REVENUES</u>				
KRE Fleet	\$ 264,174	\$ -	\$ -	\$ (264,174)
Five Year PILOTS	212,945	-	208,006	(4,939)
PILOT Administrative Fee	40,000	-	35,000	(5,000)
	<u>12,982,049</u>	-	<u>13,203,536</u>	<u>221,487</u>
<u>STATE AID WITHOUT OFFSETTING APPROPRIATIONS</u>				
Consolidated Municipal Property Tax Relief Act	835,717	-	835,717	-
Energy Receipts Tax (PL 1997, Ch. 162 & 167)	7,994,084	-	7,994,084	-
	<u>8,829,801</u>	-	<u>8,829,801</u>	-
<u>SHARED SERVICE AGREEMENTS</u>				
Bayonne BOE Garbage Removal Contract	104,000	-	271,750	167,750
Health Officer	30,000	-	43,333	13,333
	<u>134,000</u>	-	<u>315,083</u>	<u>181,083</u>
<u>PUBLIC AND PRIVATE REVENUES</u>				
Pedestrian Safety Grant	19,965	-	19,965	-
Body Armour Replacement Fund	29,618	-	29,618	-
Municipal Aid Program	-	821,963	821,963	-
Bulletproof Vest Partnership	-	18,288	18,288	-
Drive Sober or Get Pulled Over	6,000	-	6,000	-
Drunk Driving Enforcement	4,911	-	4,911	-
Urban Area Security Initiative	38,128	21,073	59,201	-
Police overtime DMV	76,125	-	76,125	-
Emergency Management Grant EMAA	10,000	-	10,000	-
Recycling Tonnage Grant	109,084	-	109,084	-
Clean Communities Grant	107,049	-	107,049	-
Older American Act of 1965 Title III	82,671	66,720	149,391	-
Congregate Meals Program	372,459	101,199	473,658	-
Custom Border Control	28,301	-	28,301	-
Assistance to Firefighters Grant	-	213,077	213,077	-
State Local Cooperative Inspection Program	8,381	-	8,381	-
Target Corp. Grant	1,000	-	1,000	-
Strengthening Local Public Health	142,236	291,042	433,278	-
Bayonne Housing Authority Grant - Police	7,004	-	7,004	-
Police Reimbursement Salaries	7,518	-	7,518	-
Local Fiscal Recovery Fund Grant (LFRF)	4,985,000	-	4,985,000	-
LFRF - Small Business Grant Program	5,000,000	-	5,000,000	-
CAA Home Delivered Meals Grant	-	62,902	62,902	-
Click It or Ticket	-	9,000	9,000	-
Hazardous Materials Emergency Preparedness	-	11,150	11,150	-
Body Worn Camera Grant	-	452,436	452,436	-
	<u>11,035,450</u>	<u>2,068,850</u>	<u>13,104,300</u>	-

See Accompanying Notes to Financial Statements

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
OTHER SPECIAL ITEMS				
Uniform Fire Safety Act	\$ 113,766	\$ -	\$ 133,004	\$ 19,238
PVSC Municipal Rebate Incentive Program	12,995	-	12,995	-
Debt Service Reimbursement - Bayonne BOE	233,445	-	233,445	-
Royal Caribbean Cruise Port	300,000	-	-	(300,000)
Debt Service Reimbursement - Empire Golf	350,000	-	350,000	-
Indirect Cost Reimbursement - UCC	223,077	-	223,077	-
Uniform Fire Code Inspection Fees	151,508	-	186,749	35,241
Parking Tax	751,489	-	-	(751,489)
Spectra Energy	1,815,408	-	1,572,653	(242,755)
Port Authority Land Payment	5,000,000	-	5,000,000	-
Reimb-City Wide Communications System	32,106	-	64,972	32,866
BMUA Expense Reimbursement	708,213	-	576,865	(131,348)
Cable TV Franchise Fee	667,753	-	667,753	-
Local Fiscal Recovery Funds Revenue Loss	3,793,897	-	3,793,897	-
	<u>14,153,657</u>	-	<u>12,815,410</u>	<u>(1,338,247)</u>
Total Miscellaneous Revenues	<u>47,134,957</u>	<u>2,068,850</u>	<u>48,268,130</u>	<u>(935,677)</u>
<u>RECEIPTS FROM DELINQUENT TAXES:</u>	<u>106,991</u>	<u>-</u>	<u>746,282</u>	<u>639,291</u>
Subtotal - General Revenues	<u>54,770,328</u>	<u>2,068,850</u>	<u>56,542,792</u>	<u>(296,386)</u>
<u>AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET:</u>				
Local Tax Incl. Reserve for Uncollected Taxes	82,679,271	-	83,525,085	845,814
Addition to Local District School Tax	10,453,613	-	10,453,613	-
Minimum Library Tax	2,639,690	-	2,639,690	-
Total Amount to be Raised by Taxes	<u>95,772,574</u>	<u>-</u>	<u>96,618,388</u>	<u>845,814</u>
Total Budget Revenues	150,542,902	2,068,850	153,161,180	549,428
Non-Budget Revenues	-	-	3,154,772	3,154,772
Total General Revenues	<u>\$ 150,542,902</u>	<u>\$ 2,068,850</u>	<u>\$ 156,315,952</u>	<u>\$ 3,704,200</u>
	A-3	A-3		
		A-2a	\$ 153,161,180	
		A-2b	<u>3,154,772</u>	
			<u>\$ 156,315,952</u>	

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

**STATEMENT OF REVENUES - REGULATORY BASIS
ANALYSIS OF BUDGETED REVENUES**

	<u>Ref.</u>		
Allocation of Current Tax Collections:			
Collected in Current Year, Including Homestead Rebate	A-4	\$ 193,710,540	
Due from Bulk Levy Purchaser	A-12	2,080,425	
	A-7	<u>195,790,965</u>	
Collected in Prior Year	A-7, A-19	959,752	
State Share of Sr. Citizens' & Veterans' Deductions	A-7, A-18	<u>215,500</u>	
Current Taxes Realized in Cash	A-1		\$ 196,966,217
Add: Appropriation for "Reserve for Uncollected Taxes"	A-3		<u>1,102,534</u>
			<u>198,068,751</u>
Allocated to:			
School Taxes	A-24	70,451,920	
County Taxes	A-25	30,708,900	
Special Improvement District Taxes	A-26	<u>289,543</u>	
Total Allocated to School, County and Special District Taxes			<u>101,450,363</u>
Amount for Support of Municipal Budget Appropriations	A-2		<u>\$ 96,618,388</u>
Receipts from Delinquent Taxes:			
Delinquent Taxes Collected	A-4, A-7		<u>\$ 746,282</u>
Total Receipts from Delinquent Taxes	A-1, A-2		<u>\$ 746,282</u>
Miscellaneous Revenues Anticipated:			
Accrual per Revenue Accounts Receivable	A-11		\$ 26,334,029
State Aid	A-10		8,829,801
State and Federal Grants	A-14		<u>13,104,300</u>
Total Miscellaneous Revenues Anticipated	A-1, A-2		<u>\$ 48,268,130</u>
<u>FUND BALANCE</u>	A-1, A-2		<u>\$ 7,528,380</u>
Total Realized Budget Revenues	A-2		<u>\$ 153,161,180</u>

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

	<u>Ref.</u>	
Miscellaneous Revenue not Anticipated:		
Land Sale		\$ 2,500,000
Tax Levy Premium		371,000
FEMA Reimbursement for Prior Year		75,498
Prior Year Revenues Misposted to Trust Fund		28,854
Miscellaneous Revenues Not Anticipated		19,351
Bank Adjustment Credits		6,326
2% Administrative Payment - Tax Deductions		4,240
175 W. 7th St. Urban Renewal, LLC		3,445
Vendor Refunds		3,006
Prison Forfeit Cash		1,902
Housing Authority Garbage Contract		1,601
Homestead Rebate Mailer Reimbursement		1,292
Cashier Unallocated		200
		<hr/>
Cash Received for Non-Budget Revenue	A-4	3,016,715
Adjustment to General Capital Fund Fund	A-14	93,414
Premium on Special Emergency Notes	A-14	1,895
Other Trust Fund Adjustments	A-14	19,341
Insurance Trust Adjustments	A-14	567
Adjust Prior Year Balance Due to State	A-18	22,840
		<hr/>
	A-1	<u>\$ 3,154,772</u>

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

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	\$ 375,000	\$ 375,000	\$ 355,335	\$ -	\$ 19,665	\$ -
Other Expenses	14,000	14,000	1,906	10	12,084	-
Planning Board						
Other Expenses	25,000	25,000	15,330	6,015	3,655	-
Board of Adjustment						
Other Expenses	28,000	28,000	16,100	9,942	1,958	-
Alcohol Beverage Control						
Other Expenses	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						
Salaries and Wages	15,000	15,000	15,000	-	-	-
Other Expenses	20,000	20,000	7,695	9,025	3,280	-
Planning and Zoning						
Salaries and Wages	400,000	400,000	370,632	-	29,368	-
Other Expenses	130,000	130,000	65,606	54,560	9,834	-
City Clerk & Municipal Council						
Municipal Council						
Salaries and Wages	175,000	175,000	172,828	-	2,172	-
Other Expenses	4,000	4,000	370	-	3,630	-
City Clerk's Office						
Salaries and Wages	355,000	355,000	333,913	-	21,087	-
Other Expenses	34,000	34,000	30,378	1,385	2,237	-
Primary, General & Municipal Elections						
Salaries and Wages	25,000	50,000	49,707	-	293	-
Other Expenses	110,000	55,000	51,128	-	3,872	-
Audit Services	91,500	91,500	61,044	30,456	-	-
Department of Administration						
Business Administrator's Office						
Salaries and Wages	675,000	697,500	693,730	-	3,770	-
Other Expenses	625,000	600,000	535,909	34,071	30,020	-
Finance Office						
Salaries and Wages	1,060,000	1,060,000	1,057,603	-	2,397	-
Other Expenses	90,000	90,000	59,127	7,949	22,924	-
Tax Assessor						
Salaries and Wages	280,000	280,000	270,483	-	9,517	-
Collection of Taxes						
Salaries and Wages	275,000	275,000	264,799	-	10,201	-
Postage	100,000	100,000	95,380	3,927	693	-
Personnel Department						
Salaries and Wages	103,000	103,000	102,933	-	67	-
Bayonne Historical Commission						
Other Expenses	6,000	6,000	-	-	6,000	-
Law Department						
Salaries and Wages	740,000	640,000	628,518	-	11,482	-
Other Expenses	45,000	45,000	28,068	333	16,599	-
Contracts	275,000	275,000	175,731	65,571	33,698	-
Municipal Services Department						
Water/Sewer Division						
Salaries and Wages	255,000	255,000	251,501	-	3,499	-
Other Expenses	75,000	75,000	22,272	14,242	38,486	-
Board of Health						
Salaries and Wages	350,000	350,000	288,016	-	61,984	-
Other Expenses	1,880,000	1,480,000	1,252,387	136,601	91,012	-
Office on Aging						
Salaries and Wages	160,680	160,680	160,680	-	-	-
Other Expenses	24,000	24,000	1,574	-	22,426	-

See Accompanying Notes to Financial Statements

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 Safety						
Police - Uniform Personnel						
Salaries and Wages	\$ 20,115,000	\$ 22,815,000	\$ 22,640,882	\$ -	\$ 174,118	\$ -
Other Expenses	1,000,000	1,086,000	1,033,964	43,967	8,069	-
Police - Non-Uniform Personnel						
Salaries and Wages	3,533,000	3,533,000	3,497,984	-	35,016	-
Other Expenses	6,000	6,000	4,955	-	1,045	-
Fire - Non-Uniform Personnel						
Salaries and Wages	190,000	191,500	189,943	-	1,557	-
Other Expenses	-	-	-	-	-	-
Fire - Uniform Personnel						
Other Expenses	442,264	438,977	250,419	150,731	37,827	-
Uniform Fire Safety Act						
Other Expenses	80,000	80,000	80,000	-	-	-
Prosecutor's Office						
Other Expenses	70,000	75,000	62,700	12,300	-	-
Department of Public Works						
Streets and Road Maintenance						
Salaries and Wages	870,000	870,000	657,507	-	212,493	-
Other Expenses	170,000	170,000	143,935	15,705	10,360	-
Snow Removal						
Salaries and Wages	125,000	125,000	118,157	-	6,843	-
Other Expenses	100,000	100,000	91,912	838	7,250	-
Other Public Works						
Salaries and Wages	585,000	485,000	467,078	-	17,922	-
Other Expenses	10,000	10,000	7,043	-	2,957	-
Solid Waste Collection	2,725,000	2,725,000	2,221,046	239,774	264,180	-
Buildings and Grounds						
Salaries and Wages	725,000	725,000	718,973	-	6,027	-
Other Expenses	250,000	257,000	188,235	38,199	30,566	-
Vehicle Maintenance						
Salaries and Wages	683,000	729,000	725,117	-	3,883	-
Other Expenses	495,000	545,000	417,298	88,741	38,961	-
Swimming Pool						
Salaries and Wages	125,000	165,000	161,315	-	3,685	-
Other Expenses	56,000	16,000	11,209	690	4,101	-
Parks & Playgrounds - Recreational						
Salaries and Wages	1,000,000	730,000	679,740	-	50,260	-
Other Expenses	135,000	100,000	64,535	318	35,147	-
Maintenance of Parks						
Salaries and Wages	3,500,000	3,505,000	3,488,347	-	16,653	-
Other Expenses	100,000	105,000	82,635	13,745	8,620	-
Engineering Services	802,500	1,152,500	921,234	140,032	91,234	-
Municipal Court						
Salaries and Wages	1,235,000	1,135,000	1,128,676	-	6,324	-
Other Expenses	100,000	100,000	63,846	5,670	30,484	-
Public Defender						
Other Expenses	85,000	85,000	65,067	19,933	-	-
Insurance:						
General Liability / Workers Compensation	2,750,000	2,750,000	2,493,236	-	256,764	-
Employee Group Health	14,000,000	12,100,000	11,791,167	-	308,833	-
Group Insurance Waiver Costs	125,000	125,000	113,356	-	11,644	-

See Accompanying Notes to Financial Statements

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
(A) Operations - within "CAPS"						
Unclassified:						
Utilities	\$ 1,600,000	\$ 1,502,000	\$ 1,169,082	\$ 78,677	\$ 254,241	\$ -
Telephone Expenses	175,000	175,000	142,004	1,017	31,979	-
Gasoline, Oil, Grease, Etc.	350,000	470,000	330,808	-	139,192	-
Solid Waste Disposal (Tipping Fees)	3,650,000	3,650,000	3,295,459	354,541	-	-
Celebration of Public Holidays	44,000	44,000	42,275	-	1,725	-
Bayonne Econ. Opportunity Foundation	22,500	22,500	22,500	-	-	-
Bulk Levy Sale Expenses	15,000	15,000	-	12,000	3,000	-
Tropical Storm Ida	-	350,000	296,822	-	53,178	-
Office Services	255,000	325,000	265,773	50,514	8,713	-
Reserve for Accumulated Absences	1,400,000	1,840,000	1,840,000	-	-	-
(B) Contingent	1,000	1,000	-	-	1,000	-
	<u>91,522,444</u>	<u>91,869,157</u>	<u>87,388,895</u>	<u>1,641,479</u>	<u>2,838,783</u>	<u>-</u>
Detail:						
Salaries and Wages	58,329,680	60,189,680	59,296,375	-	893,305	-
Other Expenses	33,192,764	31,679,477	28,092,520	1,641,479	1,945,478	-
(E) Deferred Charges & Statutory Expenditures within "CAPS"						
(1) DEFERRED CHARGES						
(2) STATUTORY EXPENDITURES						
Contribution to:						
Public Employees Retirement System	2,361,325	2,361,325	2,361,325	-	-	-
Social Security System (O.A.S.I.)	2,269,556	2,269,556	2,106,317	-	163,239	-
Consolidated Police & Fire Pension Fund	20,000	20,000	-	-	20,000	-
Police & Fire Retirement System of NJ	13,989,775	13,989,775	13,989,775	-	-	-
Unemployment Insurance	24,000	24,000	-	-	24,000	-
Pensioners & Widow(er)s	28,000	28,000	26,365	-	1,635	-
Defined Contribution Retirement Program	45,000	45,000	37,821	-	7,179	-
	<u>18,737,656</u>	<u>18,737,656</u>	<u>18,521,603</u>	<u>-</u>	<u>216,053</u>	<u>-</u>
(H-1)TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>110,260,100</u>	<u>110,606,813</u>	<u>105,910,498</u>	<u>1,641,479</u>	<u>3,054,836</u>	<u>-</u>
(A) Operations - Excluded From "CAPS"						
GENERAL GOVERNMENT						
Free Public Library	2,639,689	2,639,689	2,291,518	6,920	341,251	-
	<u>2,639,689</u>	<u>2,639,689</u>	<u>2,291,518</u>	<u>6,920</u>	<u>341,251</u>	<u>-</u>
SHARED SERVICE AGREEMENTS						
Bayonne BOE Garbage Removal Contract	104,000	104,000	104,000	-	-	-
Health Officer	30,000	30,000	15,000	-	15,000	-
	<u>134,000</u>	<u>134,000</u>	<u>119,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
PUBLIC AND PRIVATE APPROPRIATIONS						
OFFSET BY REVENUES						
Pedestrian Safety Grant	\$ 19,965	\$ 19,965	\$ 19,965	\$ -	\$ -	\$ -
Body Armour Replacement Fund	29,618	29,618	29,618	-	-	-
Municipal Aid Program	-	821,963	821,963	-	-	-
Bulletproof Vest Partnership	-	18,288	18,288	-	-	-
Drive Sober or Get Pulled Over	6,000	6,000	6,000	-	-	-
Drunk Driving Enforcement	4,911	4,911	4,911	-	-	-
Urban Area Security Initiative	38,128	59,201	59,201	-	-	-
Police Overtime DMV	76,125	76,125	76,125	-	-	-
Emergency Management Grant EMAA	10,000	10,000	10,000	-	-	-
Recycling Tonnage Grant	109,084	109,084	109,084	-	-	-
Clean Communities Grant	107,049	107,049	107,049	-	-	-
Older American Act of 1965 Title III	99,963	183,363	183,363	-	-	-
Congregate Meals Program	465,574	592,073	592,073	-	-	-
Custom Border Control	28,301	28,301	28,301	-	-	-
Assistance to Firefighters Grant	-	234,384	234,384	-	-	-
State Local Cooperative Inspection Program	8,381	8,381	8,381	-	-	-
Target Corp. Grant	1,000	1,000	1,000	-	-	-
Strengthening Local Public Health Capacity	142,236	433,278	433,278	-	-	-
Bayonne Housing Authority Grant - Police	7,004	7,004	7,004	-	-	-
Police Reimbursement Salaries	7,518	7,518	7,518	-	-	-
Local Fiscal Recovery Fund Grant (LFRF)	4,985,000	4,985,000	4,985,000	-	-	-
LFRF - Small Business Grant Program	5,000,000	5,000,000	5,000,000	-	-	-
CAA Home Delivered Meals Grant	-	62,902	62,902	-	-	-
Click It or Ticket	-	9,000	9,000	-	-	-
Hazardous Materials Emergency Preparedness	-	11,150	11,150	-	-	-
Body Worn Camera Grant	-	452,436	452,436	-	-	-
Matching Funds for Grants	60,000	-	-	-	-	-
	11,205,857	13,277,994	13,277,994	-	-	-
Total Operations - Excluded from "CAPS"	13,979,546	16,051,683	15,688,512	6,920	356,251	-
Detail:						
Salaries and Wages	412,058	786,500	771,500	-	15,000	-
Other Expenses	13,567,488	15,265,183	14,917,012	6,920	341,251	-
(C) Capital Improvements- Excluded From "CAPS"						
Capital Improvement Fund	150,000	150,000	150,000	-	-	-
Generator for City Hall	700,000	700,000	-	632,493	67,507	-
	850,000	850,000	150,000	632,493	67,507	-
(D) Municipal Debt Service						
Bond Principal	5,110,001	5,110,001	5,110,001	-	-	-
Bond Anticipation and Capital Notes	170,000	170,000	170,000	-	-	-
Interest on Bonds	7,499,260	7,499,260	7,499,260	-	-	-
Interest on Notes	178,937	178,937	178,937	-	-	-
Green Trust Loan Program						
Loan Repayments for Principal and Interest	16,852	16,852	16,852	-	-	-
HCIA Lease Payment (Central Garage)	696,315	696,315	696,315	-	-	-
Capital Lease Obligations	32,736	32,736	32,736	-	-	-
	13,704,101	13,704,101	13,704,101	-	-	-
(E) Deferred Charges						
Special Emergency Authorizations - 5 Years						
Tax Map	43,430	43,430	43,430	-	-	-
Revaluation	149,578	149,578	149,578	-	-	-
	193,008	193,008	193,008	-	-	-
(H-2) TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES-EXCL. FROM "CAPS"	28,726,655	30,798,792	29,735,621	639,413	423,758	-

See Accompanying Notes to Financial Statements

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
(I) Local District School Purposes - Excluded from "CAPS"						
<u>TYPE 1 DISTRICT SCHOOL DEBT</u>						
Payment of Bond Principal	\$ 7,062,981	\$ 7,062,981	\$ 7,062,981	\$ -	\$ -	-
Interest on Bonds	3,390,632	3,390,632	3,390,632	-	-	-
	<u>10,453,613</u>	<u>10,453,613</u>	<u>10,453,613</u>	<u>-</u>	<u>-</u>	<u>-</u>
(O) TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"	<u>39,180,268</u>	<u>41,252,405</u>	<u>40,189,234</u>	<u>639,413</u>	<u>423,758</u>	<u>-</u>
(L) Subtotal General Appropriations	149,440,368	151,859,218	146,099,732	2,280,892	3,478,594	-
(M) Reserve for Uncollected Taxes	<u>1,102,534</u>	<u>1,102,534</u>	<u>1,102,534</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS	<u>\$ 150,542,902</u>	<u>\$ 152,961,752</u>	<u>\$ 147,202,266</u>	<u>\$ 2,280,892</u>	<u>\$ 3,478,594</u>	<u>\$ -</u>
				A-16	A	
Budget As Adopted	A-2	\$ 150,542,902				
Added by N.J.S.A. 40A:4-87	A-2	2,068,850				
Special Emergency	A-1, A-13	350,000				
		<u>152,961,752</u>				
Less: Reserve for Uncollected Taxes		<u>1,102,534</u>				
	A-1	<u>\$ 151,859,218</u>				
Reserve for Uncollected Taxes	A-2a		\$ 1,102,534			
Deferred Charges - Non Cash	A-13		43,430			
Deferred Charges - Cash Disbursed	A-13		590,873			
Qualified Bonds Paid by State	A-10		7,216,623			
Capital Improvement Fund	A-14		150,000			
Funding of Library Ordinance No. O-21-14	A-14		350,000			
State and Federal Grants	A-14		13,277,994			
Cash Disbursements	A-4		<u>124,470,812</u>			
			<u>\$ 147,202,266</u>			

**CITY OF BAYONNE
TRUST FUND
AS OF DECEMBER 31, 2021 AND 2020**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		2021	2020
<u>Assets</u>	<u>Ref.</u>		
Animal Control Fund:			
Cash and Cash Equivalents	B-1	\$ 33,257	\$ 42,585
Insurance Fund:			
Cash and Cash Equivalents	B-1	757,623	886,609
Tax Lien Redemption Fund:			
Cash and Cash Equivalents	B-1	49,611	497,410
Housing and Urban Development Fund:			
Cash and Cash Equivalents	B-1	20,989	9
Grants Receivable	B-9	4,222,808	3,758,627
		4,243,797	3,758,636
Payroll Deduction			
Cash and Cash Equivalents	B-1	976,442	1,071,900
Other Trust Fund:			
Cash and Cash Equivalents	B-1	19,512,721	14,779,043
Interfunds Receivable: Due from Current Fund	B-13	-	113,580
		19,512,721	14,892,623
Total Assets		\$ 25,573,451	\$ 21,149,763

CITY OF BAYONNE
TRUST FUND
AS OF DECEMBER 31, 2021 AND 2020

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

			2021		2020
<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>				
Animal Control Fund:					
Interfunds Payable	B-4	\$	4,986	\$	15,156
Reserve for Feral Cat Donations	B-5		2,689		2,689
Due to State of New Jersey	B-2		452		638
Reserve for Dog Fund Expenditures	B-3		25,130		24,102
			33,257		42,585
Insurance Fund:					
Interfunds Payable	B-7		567		-
Reserve for Insurance Fund Expenditures	B-6		757,056		886,609
			757,623		886,609
Tax Lien Redemption Fund:					
Reserve for Tax Lien Redemption Fund Expenditures	B-8		49,611		497,410
Housing and Urban Development Fund:					
Reserve for Encumbrances	B-10		584,580		-
Reserve for Grant Expenditures	B-12		3,659,217		3,758,636
			4,243,797		3,758,636
Payroll Agency					
Reserve for Insurance Fund Expenditures	B-19		975,712		1,071,900
Reserve for Encumbrances	B-19		730		-
			976,442		1,071,900
Other Trust Fund:					
Interfunds Payable:					
Due to State and Federal Grant Fund	B-13		354		-
Due to Current Fund	B-13		171,226		-
Due to State of New Jersey	B-15		190,421		-
Storm Recovery Reserves	B-14		-		171,224
Reserves and Special Deposits	B-16		18,629,300		14,535,495
Reserve for Encumbrances	B-17		123,963		185,904
Reserve for Developers Escrow	B-18		397,457		-
			19,512,721		14,892,623
Total Liabilities and Reserves		\$	25,573,451	\$	21,149,763

See Accompanying Notes to Financial Statements

**CITY OF BAYONNE
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2021 AND 2020**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash and Cash Equivalents		\$ 178,313	\$ 4,367,037
Restricted Cash		206,632	206,632
Total Cash and Cash Equivalents	C-2; C-3	384,945	4,573,669
Grants Receivable	C-6	3,705,355	2,561,972
Developer's Contribution Receivable	C-7	333,000	333,000
Interfunds Receivable: Due from Current Fund	C-9	255,406	-
New Jersey Infrastructure Bank Loans Receivable	C-8	4,042,322	-
Deferred Charges to Future Taxation:			
Funded	C-4	191,350,616	189,633,128
Unfunded	C-5	41,909,629	61,215,479
Total Assets		<u>\$ 241,981,273</u>	<u>\$ 258,317,248</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes Payable	C-17	\$ 9,875,000	\$ 11,045,000
General Serial Bonds Payable	C-11	153,038,899	146,428,899
School Serial Bonds Payable	C-13	36,698,056	42,031,036
Capital Appreciation Bonds Payable	C-12	1,000,000	1,000,000
Green Trust Loan Payable	C-14	72,176	87,356
Lease Payable	C-16	44,038	85,837
New Jersey Infrastructure Bank Loans Payable	C-15	4,539,769	-
Improvement Authorizations:			
Funded	C-10	2,296,731	781,478
Unfunded	C-10	25,113,268	49,324,821
Contracts Payable	C-18	4,634,654	2,867,073
Capital Improvement Fund	C-21	423,929	173,929
Reserve for Capital Improvements	C-19	1,425,000	1,155,000
Reserve for Debt Service	C-20	2,135,495	1,913,429
Reserve for Preliminary Expenses	C-22	3,167	135,682
Reserve for Grant Receivable	C-23	55,096	661,713
		<u>241,355,278</u>	<u>257,691,253</u>
Fund Balance	C-1	625,995	625,995
Total Liabilities, Reserves and Fund Balance		<u>\$ 241,981,273</u>	<u>\$ 258,317,248</u>
Bonds and Noted Authorized But Not Used	C-24	<u>\$ 32,034,629</u>	<u>\$ 50,170,479</u>

See Accompanying Notes to Financial Statements

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE
- REGULATORY BASIS**

		2021		2020
Balance: December 31, 2020	<u>Ref.</u> C	\$ 625,995	\$	594,484
Increased by:				
Cancellation of Unexpended Ordinances		-		31,511
Balance: December 31, 2021	C	\$ 625,995	\$	625,995

**CITY OF BAYONNE
PARKING UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>2021</u>		<u>2020</u>
<u>Assets</u>				
Operating Fund:				
Cash and Cash Equivalents	D-5	\$ 603,947	\$	579,879
Interfunds Receivable: Due from Grants Fund	D-8	3,739		-
Deferred Charges:				
Deficit in Operations	D-7	55,030		-
Payroll Deferral	D-7	-		34,291
Total Utility Operating Fund Assets		<u>662,716</u>		<u>614,170</u>
Capital Fund:				
Cash and Cash Equivalents	D-5	210,668		396,853
Interfunds Receivable	D-16	404,339		265,917
Fixed Capital	D-14	5,354,861		5,354,861
Fixed Capital Authorized and Uncompleted	D-15	1,109,965		1,109,965
Total Utility Capital Fund Assets		<u>7,079,833</u>		<u>7,127,596</u>
Total Utility Fund Assets		<u>\$ 7,742,549</u>	\$	<u>7,741,766</u>

**CITY OF BAYONNE
PARKING UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		2021		2020
<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>			
Operating Fund:				
Appropriation Reserves	D-4, D-9	\$ 100,843	\$	66,582
Reserve for Encumbrances	D-10	3,756		1,313
Reserve for Debt Service	D-11	9,624		9,624
Accrued Interest on Bonds	D-13	30,917		34,750
Payroll Deferral Payable	D-12	-		34,291
Interfunds Payable: Due to Parking Utility Capital	D-8	315,883		265,917
		461,023		412,477
Fund Balance	D-1	201,693		201,693
Total Utility Operating Fund Liabilities, Reserves and Fund Balance		662,716		614,170
Capital Fund:				
Reserve for Amortization	D-19	3,764,861		3,534,861
Reserve for Deferred Amortization	D-18	1,109,965		1,109,965
Parking Revenue Serial Bonds Payable	D-17	1,590,000		1,820,000
Bond Reserve Fund	D-20	-		87,763
Capital Improvement Fund	D-21	165,000		125,000
		6,629,826		6,677,589
Fund Balance	D-2	450,007		450,007
Total Utility Capital Fund Liabilities, Reserves and Fund Balance		7,079,833		7,127,596
Total Utility Fund Liabilities, Reserves and Fund Balance		\$ 7,742,549	\$	7,741,766

**CITY OF BAYONNE
PARKING UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

	Ref.	2021	2020
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	D-3	\$ -	\$ 250,000
Miscellaneous Revenue Anticipated	D-3	1,576,226	1,293,903
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-9	68,868	79,193
		<u>1,645,094</u>	<u>1,623,096</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating		1,163,218	1,096,000
Capital Improvements		40,000	-
Debt Service		309,567	304,866
Statutory Expenditures		187,339	118,800
	D-4	<u>1,700,124</u>	<u>1,519,666</u>
Refund of Prior Year Revenue		-	3,500
		<u>1,700,124</u>	<u>1,523,166</u>
Excess in Revenue		-	99,930
Deficit in Revenue		55,030	-
Adjustments to Income before Fund Balance:			
Deferred Charges to Budget of Succeeding Year - Deficit in Operations	D-7	55,030	-
Statutory Excess to Fund Balance			99,930
Fund Balance, January 1	D	<u>201,693</u>	<u>351,763</u>
		201,693	451,693
Decreased by:			
Utilized as Anticipated Revenue	D-3	-	250,000
Fund Balance, December 31	D	<u>\$ 201,693</u>	<u>\$ 201,693</u>

**CITY OF BAYONNE
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Parking Fees	\$ 950,000	\$ -	\$ 851,472	\$ (98,528)
Ticket Revenues	320,285	-	295,750	(24,535)
Interest on Investments and Deposits	8,268	-	3,600	(4,668)
Local Fiscal Recovery Fund Revenue Loss	425,404	-	425,404	-
	<u>1,703,957</u>	-	<u>1,576,226</u>	<u>(127,731)</u>
Total Budget Revenues	1,703,957	-	1,576,226	(127,731)
Non-Budget Revenues	-	-	-	-
Total Parking Utility Revenues	<u>\$ 1,703,957</u>	<u>\$ -</u>	<u>\$ 1,576,226</u>	<u>\$ (127,731)</u>
	D-3			
		D-5	\$ 1,149,267	
		D-8	425,404	
		D-8	<u>1,555</u>	
		D-1	<u>\$ 1,576,226</u>	

**CITY OF BAYONNE
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
Operating:						
Salaries and Wages	\$ 925,000	\$ 925,000	\$ 872,064	\$ -	\$ 52,936	\$ -
Other Expenses	120,000	128,000	108,645	3,756	15,599	-
Group Insurance	70,218	82,218	82,135	-	83	-
Other Insurance	40,000	28,000	-	-	28,000	-
	<u>1,155,218</u>	<u>1,163,218</u>	<u>1,062,844</u>	<u>3,756</u>	<u>96,618</u>	<u>-</u>
Capital Improvements:						
Capital Improvement Fund	40,000	40,000	40,000	-	-	-
Debt Service:						
Bond Principal	230,000	230,000	230,000	-	-	-
Interest on Bonds	83,400	83,400	79,567	-	-	3,833
	<u>313,400</u>	<u>313,400</u>	<u>309,567</u>	<u>-</u>	<u>-</u>	<u>3,833</u>
Statutory Expenditures:						
Public Employees Retirement System	114,039	114,039	114,039	-	-	-
Social Security (O.A.S.I.)	76,300	68,300	64,075	-	4,225	-
Unemployment Insurance	5,000	5,000	5,000	-	-	-
	<u>195,339</u>	<u>187,339</u>	<u>183,114</u>	<u>-</u>	<u>4,225</u>	<u>-</u>
Total Parking Utility Appropriations	<u>\$ 1,703,957</u>	<u>\$ 1,703,957</u>	<u>\$ 1,595,525</u>	<u>\$ 3,756</u>	<u>\$ 100,843</u>	<u>\$ 3,833</u>
				D-10	D	
Budget As Adopted	D-2	\$ 1,703,957	\$ 1,559,358	D-8	Paid by Current Fund in Cash	
Less: Appropriations Canceled		<u>3,833</u>	40,000	D-8	Due to Utility Capital Fund	
	D-1	<u>\$ 1,700,124</u>	30,917	D-13	Add: Current Year Interest Accrual	
			1,630,275			
			34,750	D-13	Less: Prior Year Interest Accrual	
			<u>\$ 1,595,525</u>			

CITY OF BAYONNE
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF CHANGES IN CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Balance: December 31, 2020	D	\$ 450,007	\$ 7
Increased by:			
Payable Forgiven		-	450,000
Balance: December 31, 2021	D	<u>\$ 450,007</u>	<u>\$ 450,007</u>

**CITY OF BAYONNE
GENERAL FIXED ASSETS
AS OF DECEMBER 31, 2021 AND 2020**

SCHEDULE OF GENERAL FIXED ASSETS

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Land	E-1	\$ 166,394,147	\$ 166,394,147
Buildings	E-1	10,233,265	10,233,265
Improvements	E-1	93,129,774	93,129,774
Machinery, Equipment & Other	E-1	22,680,578	22,680,578
		<u>\$ 292,437,764</u>	<u>\$ 292,437,764</u>
 <u>Investment in Fixed Assets</u>			
Investment in General Fixed Assets	E-2	<u>\$ 292,437,764</u>	<u>\$ 292,437,764</u>

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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 financial statements of the City include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City, as required by N.J.S.A. 40A:5-5. The Governmental Accounting Standards Board (herein referred to as “GASB”) establishes criteria to be used to determine which component units should be included in the financial statements of the primary government (the City). 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 the provisions of GASB had been complied with, the financial statements of the following component units would have been discretely presented with the financial statements of the City:

Bayonne Housing Authority

Special Improvement District

Audit reports of the component units are available at the offices of each of the respective component units.

BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund categories to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the City have been prepared in conformity with accounting principles and practices prescribed by the Division, which differ from GAAP. The principles and practices prescribed by the Division are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through the following separate funds and account group, which differ from the fund structure required by GAAP.

DESCRIPTION OF FUNDS

Current Fund – is used to account for all resources and expenditures for governmental operations of a general nature. The Federal and State Grant Fund is presented with the Current Fund.

Trust Fund – are used to account for receipts, custodianship and disbursement of dedicated revenues in accordance with the purpose for which each reserve was created, subject to available cash in each individual trust fund reserve established pursuant to state statutes or as an agent for individuals and other governmental agencies.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General Capital Fund – is used to account for the receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund or other funds. Also included in this fund are bonds and notes payable offset by deferred charges to future taxation.

Parking Utility Fund – is used to account 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.

General Fixed Assets – is used to account for all fixed assets of the City but is not a separate fund type.

The accounts of the City are maintained in accordance with the Division’s principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The Division’s principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The General Fixed Assets account group, on the other hand, is a financial reporting device designed to provide accountability for certain fixed assets and the investment in those fixed assets that are not recorded in the funds because they do not directly affect net expendable available financial resources.

BASIS OF ACCOUNTING

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 comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The current financial resource focus and modified accrual basis of accounting is generally followed with significant exceptions which are explained as follows:

Revenues – Revenues are realized when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal revenue sharing funds and other Federal and State grants are realized as revenue when anticipated in the budget. Receivables for property taxes and other amounts that are due to the City are recorded with offsetting reserves on the balance sheet of the Current Fund. Such amounts are not recorded as revenue until collected. Accordingly, no provision has been made to estimate that portion of receivables that are uncollectible. Taxes and payments in lieu of taxes collected in advance are recorded as cash liabilities in the financial statements. GAAP requires revenues to be recognized in the accounting period when they become measurable and available and in certain instances reduced by an allowance for doubtful accounts.

Expenditures – Expenditures are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Appropriation reserves covering unexpended appropriation balances are automatically created at the end of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriations for principal and interest payments on general capital indebtedness are provided on the cash basis. GAAP requires expenditures in the current (or general) fund, to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which should be recognized when due.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Encumbrances – Encumbrances are contractual orders outstanding at year end reported as expenditures through the establishment of an encumbrance payable. Outstanding encumbrances at year end are reported as a cash liability in the financial statements. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves – Appropriations are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Transfers are allowed between certain line items during the first three months of the fiscal year. Lapsed appropriation reserves are recorded as other credits to income. Appropriation Reserves do not exist under GAAP

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year. It is required to provide assurance that cash collected for taxes in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

Interfunds – Advances from the current fund are reported as interfunds receivable with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfunds receivable in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies – The costs of inventories of supplies for all funds are recorded as expenditures at the time the individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Property Acquired for Taxes – Property Acquired for Taxes is recorded in the current fund at the assessed valuation when such property was acquired and is subsequently updated for revaluations. The values of the properties are fully reserved. GAAP requires such property to be recorded as a fixed asset at market value on the date of acquisition.

Deferred Charges to Future Taxation – Funded and Unfunded – Upon the authorization of general capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized costs of capital projects. The City may levy taxes on all taxable property within the City to repay the debt. Annually, the City raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced. GAAP does not require the establishment of deferred charges to future taxation.

Fixed Capital and Fixed Capital Authorized and Uncompleted – The full amount of an authorized Utility Capital project or acquisition is recorded as Fixed Capital Authorized and Uncompleted, until that time when the authorized funds are used to purchase the acquisition or the capital project is completed, when it then is reclassified as Fixed Capital.

Reserve for Amortization and Deferred Amortization – The funded amount of authorized Utility Capital authorizations are recorded upon ordinance adoption as a Reserve for Deferred Amortization. Principal payments on bonds or pay-downs on notes issued to finance these authorizations are amortized to the reserve for amortization if the project is completed or the deferred amortization if the project is not completed. Upon the completion of capital projects or acquisition of capital assets authorized, the reserve for deferred amortization is reclassified as reserve for amortization.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences and Post-Employment Benefits – Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources to be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long-term obligations.

Improvement Authorizations – Improvement Authorizations in the general capital fund represent the unexpended balance of an ordinance appropriation and is similar to the unexpended portion of the budget in the current fund. GAAP does not recognize these amounts as liabilities.

Use of Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

General Fixed Assets – Accounting for Governmental Fixed Assets as promulgated by the Division differs in certain respects from GAAP, and requires the inclusion of a statement of general fixed assets as part of the City’s basic financial statements.

Fixed assets used in governmental operations (general fixed assets) are accounted for in an account group identified as “General Fixed Assets” and are not included within the records of any fund types. Purchases from these funds for fixed assets are recorded as expenditures within the fund. Public domain (infrastructure) general fixed assets consisting of certain improvements, other than improvements to buildings, such as improvements to roads, bridges, curbs and gutters, streets and sidewalks and drainage systems, are not capitalized. GAAP requires the recording of infrastructure assets and requires capital assets be depreciated over their estimated useful life unless they are either inexhaustible or are infrastructure assets reported using the modified approach.

All fixed assets, except land, are valued at historical cost or estimated historical cost if actual historical cost is not available. Expenditures for construction in progress are recorded in the Capital Fund against authorizations under which the project was approved until such time as the construction is completed and put into operation. The City is required to maintain a subsidiary ledger of detailed records of fixed assets and to provide property management standards to control fixed assets. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than five years and an acquisition cost of \$5,000 or more per unit. Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately. No depreciation has been provided in the financial statements, which is consistent with the accounting principles and practices of the Division.

Cash and Investments – New Jersey governmental units are required to deposit public funds in a public depository. Public depositories are defined by statutes as any State or federally chartered bank, savings bank or an association located in New Jersey or a state or federally chartered bank, savings bank or an association located in another state with a branch office in this State, the deposits of which are insured by the Federal Deposit Insurance Corporation (“FDIC”) and which receives or holds public funds on deposit, but does not include deposits held by the State of New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units. Cash Equivalents include certificate of deposits with a maturity date of less than three (3) months.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City is also required to annually adopt a cash management plan and to deposit or invest its funds pursuant to the cash management plan. The cash management plan adopted by the City requires it to deposit funds as permitted in N.J.S.A 40:5-15.1, so long as the funds are deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey and requires all public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

In 2009, legislation revised GUDPA to provide higher levels of security and oversight appropriate to contemporary banking conditions. Among the increased protections and oversight, the revised GUDPA ensures a common level of deposit risk by each bank choosing to accept local government deposits, requires banks to fully collateralize deposits over \$200 million, implements enforcement protocol which allows the Department of Banking and Insurance to institute risk-based collateral requirements promptly when a bank shows signs of stress, provides enhanced oversight by the Department of banking and insurance and permits GUDPA certificates to be provided through an online system.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the Division in accordance with the Local Budget Law. Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements. The budgetary requirements herein outlined are applicable to only the Current Fund, and not the Trust Fund, General Capital Fund or the General Fixed Assets account group. However, statutes require the City to adopt annually a six-year capital plan. This plan allows the governing body to expend or incur obligations for capital purposes only. Such projects under the plan must be adopted through capital ordinance.

The City must adhere to procedures for adoption of its annual budget as established by the Division, including statutory deadlines of: February 20 for introduction and approval and March 20 for adoption. These dates are subject to extension by the Division by approval of the Local Finance Board. Appropriations within the adopted budget cannot be modified until the final two months of the year at which time transfers between certain line items are allowed. Under certain circumstances emergency authorizations and insertions of items of revenue and appropriation are allowed by authorization of the governing body, subject to approval of the Division. The City must prepare its budgets in compliance with applicable laws capping the amounts by which both the budgeted appropriations and tax levy can be increased. A description of both "CAPS" follows:

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the City is permitted to increase its overall appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the traditional federal government inflation calculation. The City can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap spending to 3.5%, upon passage of a COLA Rate Ordinance.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A 40A:4-45.44 through 45.47. It establishes limits on the increase in the total City amount to be raised by taxation (tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation, net of any applicable cap base adjustments and emergency or special emergency appropriations.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Term Obligations – General long-term debt is recognized as a liability of the General Capital Fund for the full amount.

Reserves (Other than Reserve for Receivables) – Reserves, other than reserves for receivables, are considered liabilities, and not as a reservation of fund balance.

Reserves for Receivables – Receivables of the City, with the exception of certain intergovernmental receivables, are offset on the balance sheet with a credit that is created to preserve the revenue recognition basis required by the Division’s accounting policies. The reserve delays the recognition of these revenues until they are received in cash.

Advertising Costs – Advertising costs are charged against the appropriate budget line as they occur. The City does not engage in direct-response advertising.

Sale of Municipal Assets – The proceeds of the sale of municipal assets can be held until made available through a future budget appropriation. GAAP requires such proceeds to be recorded as revenue in the year of sale.

Fund Balance – Fund equity represented on the financial statements consists solely of Fund Balance, which is not further categorized with respect to reservations (portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use) or designations (plans for future use of financial resources).

BASIC FINANCIAL STATEMENTS

The GASB Codification also requires the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The City presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP.

Total Columns on Combined Statements – Total columns are captioned “memorandum only” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative Data – Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City’s financial position and operations. 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 or changes in fund balance.

Reconciliation of Accounting Basis – As described throughout Note A, substantial differences exist between GAAP and the budgetary basis prescribed by the Division. Reconciliation between the two would not be meaningful or informative and therefore is not provided herein.

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

DEPOSITS

The City’s cash and cash equivalents on deposit are partially insured by the FDIC up to \$250,000 for each depository. Deposits in excess of FDIC limits, as noted below, are insured or collateralized by a collateral pool maintained by public depositories as required by GUDPA (see Note 1 - Cash and Investments) or are on deposit with the New Jersey Cash Management Fund or Municipal Investors Service Corporation.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a deposit policy for custodial credit risk. 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.
- c. Collateralized with securities held by the pledging financial institution’s trust department or agent but not in the City’s name.

As of December 31, 2021, 54% of the City’s deposits were with one financial institution and 34% with another, for a total of 89% of the City’s deposits with two financial institutions. As of December 31, 2020, 33% of the City’s deposits were with one financial institution and 28% with another, for a total of 61% of the City’s deposits with two financial institutions.

	At December 31,	
	2021	2020
Insured - FDIC	\$ 764,383	\$ 1,227,068
Insured - GUDPA	61,049,086	64,398,717
	\$ 61,813,469	\$ 65,625,785

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, 2021 and 2020 are known to be held in foreign currency.

INVESTMENTS

Foreign Currency Risk – Investments are also exposed to the same foreign currency risk as deposits. It is the risk that changes in exchange rates will adversely affect investments. The City does not have any investments known to be denominated in foreign currency as of December 31, 2021 and 2020.

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 as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have an investment policy regarding the management of credit risk.

Concentration of Credit Risk – The City places no formal limit on the amount it may invest in any one issuer. New Jersey Statutes limit municipal investments to those specified, and as summarily identified in the first paragraph of the “Investments” section of this Note.

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

Custodial Credit Risk - In the case of investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City's name and are held by either the counterparty or its trust department or agent, but not in the City's name.

New Jersey statutes permit the City to purchase the following types of securities when authorized by the cash management plan (described in Note 1):

- ◆ Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- ◆ Government money market mutual funds.
- ◆ Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- ◆ Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.
- ◆ Bonds or other obligations having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units.
- ◆ Local government investment pools.
- ◆ Deposits with the State of New Jersey Cash Management Fund.
- ◆ Agreements for the repurchase of fully collateralized securities if (a) the underlying securities are permitted investments pursuant to the first and third bullets of this section, (b) the custody of collateral is transferred to a third party, (c) the maturity of the agreement is not more than 30 days, (d) the underlying securities are purchased through a public depository and (e) a master repurchase agreement providing for the custody and security of collateral is executed.

Government Investment Pools consist of investments in the New Jersey Cash Management Fund, MBIA Municipal Investors Service Corporation and NJ Asset Rebate and Management Program (NJARM). Because of their liquidity, these investments are classified as cash and cash equivalents on the financial statements of the City. For the year ending December 31, 2021 and 2020, the City did not have any investments that are classified as Government Investment Pools.

Money Market Accounts – As of December 31, 2021 and 2020, the City's Parking Utility Fund invested \$0 and \$446,938, respectively, in FDIC-insured money market "buckets". Due to their liquidity, these funds are considered cash and cash equivalents on the City's financial statements.

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. The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budget of the entities that follow:

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 3. PROPERTY TAXES (continued)

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. 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, 2021 and 2020, the City had no school taxes payable. The school tax levy collected by the City during the year ended December 31, 2021 and 2020, amounted to \$70,451,920 and \$69,409,057, respectively.

County Taxes – The City is responsible for levying, collecting and remitting county taxes for the County of Hudson. Operations is 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 on a quarterly basis. 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, 2021 and 2020, the City had County taxes payable of \$55,333 and \$95,012, respectively. The total County tax levied to City taxpayers during the year ended December 31, 2021 and 2020 amounted to \$30,708,900 and \$29,117,114, 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, 2021 and 2020, the City had Special Improvement District taxes payable of \$1,040,941 and \$786,268, respectively. The total Special Improvement District tax levied and collected by the City during the year ended December 31, 2021 and 2020 amounted to \$289,543 and \$290,458, respectively.

PROPERTY TAXES RECEIVABLE

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is a non-spending item of appropriation required by statute to be included in the City’s annual budget. This appropriation protects the City from taxes not paid currently by providing assurance that cash collected in the current year will provide sufficient cash flow to meet obligations as they become due. The minimum amount required to be appropriated in the budget is determined by the percentage of collections experienced in the immediate preceding year, unless the three-year average option is chosen. The budgeted reserve amount for uncollected taxes during the year ended December 31, 2021 and 2020, amounted to \$1,102,534 and \$1,730,049, 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, 2021 and 2020, property taxes receivable were \$1,289,141 and \$1,919,834, respectively and tax title liens receivable were \$644,976 and \$621,534, respectively.

Property Acquired by Tax Title Lien Liquidation – In lieu of a traditional tax sale, the City once again conducted a bulk levy sale and sold the balance due of its tax levy for the fiscal years ended December 31, 2021 and 2020 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 \$371,000 and \$418,000, respectively, in 2021 and 2020. The City continues to collect the taxes and any interest due and forwards those amounts weekly to the purchaser. There were no additional properties acquired by tax title lien liquidation during the year ended December 31, 2021 and 2020. The value of properties acquired by tax title lien liquidation as of December 31, 2021 and 2020 were \$6,473,400, each year.

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 3. PROPERTY TAXES (continued)

Prepaid Taxes – Taxes collected in advance are recorded as cash liabilities in the financial statements. Prepaid taxes as of December 31, 2021 and 2020 were \$849,929 and \$959,752, 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, 2021 and 2020 were \$3,721,632 and \$3,580,365, respectively.

NOTE 4. MUNICIPAL DEBT

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. At December 31, 2021 and 2020, the City’s statutory debt is summarized as follows:

	Dec. 31, 2021			Dec. 31, 2020
	Issued and Outstanding	Authorized but not Issued	Total	Total
<u>Statutory Debt Pursuant to Local Bond Law:</u>				
General:				
General Serial Bonds	\$ 153,038,899	\$ 32,034,629	\$ 185,073,528	\$ 196,599,378
Green Acres Trust Loan	72,176	-	72,176	87,356
Capital Appreciation Bonds	1,000,000	-	1,000,000	1,000,000
Bond Anticipation Notes	9,875,000	-	9,875,000	11,045,000
Parking Revenue Bonds	1,590,000	-	1,590,000	1,820,000
School: School Serial Bonds	36,698,056	-	36,698,056	42,031,036
Gross Statutory Debt Issued	202,274,131	32,034,629	234,308,760	252,582,770
Less Statutory Deductions to Debt Limit:				
Bonds and Notes for School Purposes	36,698,056	-	36,698,056	42,031,036
NJSA 40:2-52 Refunding Bonds - Pension Refunding	13,260,000	-	13,260,000	13,710,000
Self-Liquidating Purposes	-	-	-	1,820,000
Funds Held to Pay Bonds and Notes	-	-	-	1,913,429
Total Statutory Deductions	49,958,056	-	49,958,056	59,474,465
Statutory Net Debt	\$ 152,316,075	\$ 32,034,629	\$ 184,350,704	\$ 193,108,305

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. All such debt is recorded in the Current Fund and is as follows:

	Balance	Balance
	Dec. 31, 2021	Dec. 31, 2020
Current Fund - Special Emergency Notes	\$ 448,000	\$ 598,312

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 4. MUNICIPAL DEBT (continued)

SUMMARY OF STATUTORY DEBT CONDITION – ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement. At December 31, 2021: Net debt of \$184,350,704 divided by the equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$7,756,651,898 equals 2.377%.

	Gross Debt	Deductions	Net Debt
School Purposes	\$ 36,698,056	\$ 36,698,056	\$ -
Self-Liquidating Purposes	1,590,000	-	1,590,000
General Bonds and Notes	196,020,704	13,260,000	182,760,704
	\$ 234,308,760	\$ 49,958,056	\$ 184,350,704
3 Year Equalized Valuation			7,756,651,898
Net Debt expressed as a percentage of such equalized valuation basis is:			2.377%

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED

3 1/2% of Equalized Valuation Basis	\$ 271,482,816
Less: Net Debt	184,350,704
Excess Borrowing Power	\$ 87,132,112

At December 31, 2020: Net debt of \$172,361,977 divided by the equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$7,120,626,229 equals 2.421%.

	Gross Debt	Deductions	Net Debt
School Purposes	\$ 42,031,036	\$ 42,031,036	\$ -
Self-Liquidating Purposes	1,820,000	1,820,000	-
General Bonds and Notes	187,985,406	15,623,429	172,361,977
	\$ 231,836,442	\$ 59,474,465	\$ 172,361,977
3 Year Equalized Valuation			7,120,626,229
Net Debt expressed as a percentage of such equalized valuation basis is:			2.421%

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED

3 1/2% of Equalized Valuation Basis	\$ 249,221,918
Less: Net Debt	172,361,977
Excess Borrowing Power	\$ 76,859,941

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.

School Debt (Included as Obligations of the City) – In the general election of November, 2014, the Bayonne Board of Education was voted to become a Type II School District. As such, statutes require bonds and notes issued and authorized by the Board of Education to be included in the City’s statutory gross debt, but are not obligations of the City. Only the amount of school district debt exceeding the school district’s debt limit, if any, is included in the net debt of the City. Prior to this, the Bayonne Board of Education operated as a Type I school district. Accordingly, bonds and notes issued and authorized by the Board of Education prior to 2015, and still outstanding as of December 31, 2021 and 2020 in the amounts of \$36,698,056 and \$42,031,036, respectively, remain general obligations of the City.

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 4. MUNICIPAL DEBT (continued)

The City's long-term debt for each of the years ended December 31, 2021 and 2020 is as follows:

	Balance Dec. 31, 2020	Increase	Retirements	Balance Dec. 31, 2021	Due by Dec. 31, 2022
General Capital Fund:					
General Serial Bonds	\$ 146,428,899	\$ 11,720,000	\$ 5,110,000	\$ 153,038,899	\$ 5,989,944
School Serial Bonds	42,031,036	1,730,000	7,062,980	36,698,056	6,130,629
Capital Appreciation Bonds	1,000,000	-	-	1,000,000	-
Green Acres Trust Loan	87,356	-	15,180	72,176	15,485
Parking Utility Capital Fund:					
Parking Revenue Bonds	1,820,000	-	230,000	1,590,000	235,000
	<u>\$ 191,367,291</u>	<u>\$ 13,450,000</u>	<u>\$ 12,418,160</u>	<u>\$ 192,399,131</u>	<u>\$ 12,371,058</u>

	Balance Dec. 31, 2019	Increase	Retirements	Balance Dec. 31, 2020	Due by Dec. 31, 2021
General Capital Fund:					
General Serial Bonds	\$ 123,562,736	\$ 27,026,000	\$ 4,159,837	\$ 146,428,899	\$ 5,110,000
School Serial Bonds	49,035,158	-	7,004,122	42,031,036	7,062,890
Capital Appreciation Bonds	1,000,000	-	-	1,000,000	-
Green Acres Trust Loan	102,237	-	14,881	87,356	15,180
Parking Utility Capital Fund:					
Parking Revenue Bonds	2,040,000	-	220,000	1,820,000	230,000
	<u>\$ 175,740,131</u>	<u>\$ 27,026,000</u>	<u>\$ 11,398,840</u>	<u>\$ 191,367,291</u>	<u>\$ 12,418,070</u>

Debt Refunding - During the years ended December 31, 2021 and 2020, the City refunded or renewed Bond Anticipation Notes totaling \$9,875,000 and \$11,045,000, respectively. 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. Also, on August 5, 2021 the City issued \$66,375,000 of General Improvement Refunding Bonds for the purposes of refunding \$54,655,000 of the City's 2016 General Improvement Infrastructure Bonds and to provide for the costs associated with the authorization, sale and issuance of the bonds.. did not refund long term debt in either year. These bonds and notes are detailed further herein.

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, 2021 and 2020, the State of New Jersey paid \$7,216,623 and \$7,103,218, 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, 2021 and 2020 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 are summaries of the activity for such debt during the years ended December 31, 2021 and 2020, and the short term liability for each bond outstanding at year end:

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4. MUNICIPAL DEBT (continued)

2021 Summary of General Serial Bonds Activity					
Description	Balance			Balance	
	Dec. 31, 2020	Increase	Decrease	Dec. 31, 2021	Due by Dec. 31, 2022
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%	\$ 13,710,000	\$ -	\$ 450,000	\$ 13,260,000	\$ 400,000
Capital Appreciation Bonds Issued 7/3/2003 for \$6,123,000 Maturing annually from 2011 to 2023 Bearing variable interest rates ranging from 3.55% to 5.17%	1,242,899	-	450,000	792,899	424,944
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%	4,010,000	-	565,000	3,445,000	650,000
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%	4,410,000	-	315,000	4,095,000	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%	13,280,000	-	510,000	12,770,000	535,000
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%	63,800,000	-	55,750,000	8,050,000	1,175,000
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%	6,213,000	-	620,000	5,593,000	635,000
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%	12,737,000	-	355,000	12,382,000	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%	27,026,000	-	750,000	26,276,000	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%	-	66,375,000	-	66,375,000	750,000
	\$ 146,428,899	\$ 66,375,000	\$ 59,765,000	\$ 153,038,899	\$ 5,989,944

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4. MUNICIPAL DEBT (continued)

2020 Summary of General Serial Bonds Activity					
Description	Balance Dec. 31, 2019	Increase	Decrease	Balance Dec. 31, 2020	Due by Dec. 31, 2021
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%	\$ 14,060,000	\$ -	\$ 350,000	\$ 13,710,000	\$ 450,000
Capital Appreciation Bonds Issued 7/3/2003 for \$6,123,000 Maturing annually from 2011 to 2023 Bearing variable interest rates ranging from 3.55% to 5.17%	1,717,736	-	474,837	1,242,899	450,000
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%	4,600,000	-	590,000	4,010,000	565,000
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%	4,725,000	-	315,000	4,410,000	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%	13,775,000	-	495,000	13,280,000	510,000
General Improvement Infrastructure Bond Issued 3/22/2016 for \$66,000,000 Maturing annually from 2017 to 2039 Bearing variable interest rates ranging from 3.0% to 5.0%	64,775,000	-	975,000	63,800,000	1,095,000
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%	6,818,000	-	605,000	6,213,000	620,000
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%	13,092,000	-	355,000	12,737,000	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%	-	27,026,000	-	27,026,000	750,000
	<u>\$ 123,562,736</u>	<u>\$ 27,026,000</u>	<u>\$ 4,159,837</u>	<u>\$ 146,428,899</u>	<u>\$ 5,110,000</u>

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4. MUNICIPAL DEBT (continued)

School Serial Bonds Payable - The City has the following school serial bonds outstanding at December 31, 2021:

Description	2021 Summary of School Serial Bonds Activity			Balance Dec. 31, 2021	Due by Dec. 31, 2022
	Balance Dec. 31, 2020	Increase	Decrease		
School Refunding Bonds					
Issued 4/1/2003 for \$3,965,000					
Maturing annually from 2016 to 2023					
Bearing interest rates of 5.0% to 5.5%	\$ 1,680,000	\$ -	\$ 530,000	\$ 1,150,000	\$ 560,000
Capital Appreciation Bonds					
Issued 2/15/2003 for \$4,753,739					
Maturing annually from 2010 to 2022					
Bearing interest rates of 4.075% to 4.974%	575,029	-	300,014	275,015	275,015
Capital Appreciation Bonds					
Issued 7/3/2003 for \$12,381,097					
Maturing annually from 2012 to 2023					
Bearing interest rates of 3.75% to 4.96%	2,693,007	-	935,966	1,757,041	875,614
Early Retirement Incentive Refunding Bonds					
Issued 5/7/2009 for \$10,920,000					
Maturing annually from 2010 to 2021					
Bearing interest rates of 3.0% to 6.25%	1,215,000	-	1,215,000	-	-
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%	4,736,000	-	255,000	4,481,000	270,000
School Bonds					
Issued 11/19/2014 for \$1,027,000					
Maturing annually from 2015 to 2021					
Bearing interest rates of 2.0% to 3.25%	157,000	-	157,000	-	-
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%	15,300,000	-	2,800,000	12,500,000	2,995,000
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%	13,875,000	-	11,505,000	2,370,000	560,000
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%	1,800,000	-	335,000	1,465,000	355,000
School Refunding Bonds Series 2021					
Issued 8/5/2021 for \$12,700,000					
Maturing annually from 2017 to 2025					
Bearing interest rates of .392% to 1.942%	-	12,700,000	-	12,700,000	240,000
	<u>\$ 42,031,036</u>	<u>\$ 12,700,000</u>	<u>\$ 18,032,980</u>	<u>\$ 36,698,056</u>	<u>\$ 6,130,629</u>

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4. MUNICIPAL DEBT (continued)

School Serial Bonds Payable - The City has the following school serial bonds outstanding at December 31, 2020:

Description	2020 Summary of School Serial Bonds Activity			Balance Dec. 31, 2020	Due by Dec. 31, 2021
	Balance Dec. 31, 2019	Increase	Decrease		
School Refunding Bonds					
Issued 4/1/2003 for \$3,965,000					
Maturing annually from 2016 to 2023					
Bearing interest rates of 5.0% to 5.5%	\$ 2,185,000	\$ -	\$ 505,000	\$ 1,680,000	\$ 530,000
Capital Appreciation Bonds					
Issued 2/15/2003 for \$4,753,739					
Maturing annually from 2010 to 2022					
Bearing interest rates of 4.075% to 4.974%	884,916	-	309,887	575,029	300,014
Capital Appreciation Bonds					
Issued 7/3/2003 for \$12,381,097					
Maturing annually from 2012 to 2023					
Bearing interest rates of 3.75% to 4.96%	3,682,242	-	989,235	2,693,007	935,966
Early Retirement Incentive Refunding Bonds					
Issued 5/7/2009 for \$10,920,000					
Maturing annually from 2010 to 2021					
Bearing interest rates of 3.0% to 6.25%	2,360,000	-	1,145,000	1,215,000	1,215,000
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%	4,986,000	-	250,000	4,736,000	255,000
School Bonds					
Issued 11/19/2014 for \$1,027,000					
Maturing annually from 2015 to 2021					
Bearing interest rates of 2.0% to 3.25%	312,000	-	155,000	157,000	157,000
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%	18,100,000	-	2,800,000	15,300,000	2,800,000
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 2030					
Bearing interest rates of 2.0% to 5.0%	14,385,000	-	510,000	13,875,000	535,000
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%	2,140,000	-	340,000	1,800,000	335,000
	<u>\$ 49,035,158</u>	<u>\$ -</u>	<u>\$ 7,004,122</u>	<u>\$ 42,031,036</u>	<u>\$ 7,062,980</u>

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4. MUNICIPAL DEBT (continued)

Parking Utility Capital Fund - Revenue Bonds Payable - The City has outstanding at December 31, 2021 and 2020 various Parking Utility Bonds. The following table is a summary of the activity for such debt during the year ended December 31, 2021 and the short term liability for each issue:

2021 Summary of Parking Revenue Bond Activity					
Description	Balance Dec. 31, 2020	Increase	Decrease	Balance Dec. 31, 2021	Due by Dec. 31, 2022
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%	\$ 1,820,000	-	\$ 230,000	\$ 1,590,000	\$ 235,000
	<u>\$ 1,820,000</u>	<u>\$ -</u>	<u>\$ 230,000</u>	<u>\$ 1,590,000</u>	<u>\$ 235,000</u>

The following table is a summary of the activity for such debt during the year ended December 31, 2020 and the short term liability for each issue:

2020 Summary of Parking Revenue Bond Activity					
Description	Balance Dec. 31, 2019	Increase	Decrease	Balance Dec. 31, 2020	Due by Dec. 31, 2021
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%	\$ 2,040,000	-	\$ 220,000	\$ 1,820,000	\$ 230,000
	<u>\$ 2,040,000</u>	<u>\$ -</u>	<u>\$ 220,000</u>	<u>\$ 1,820,000</u>	<u>\$ 230,000</u>

The Parking Utility Fund did not have an excess in revenues for the year ended December 31, 2021 and therefore does not qualify as self-liquidating. The Parking Utility Fund did have an excess in revenues for the year ended December 31, 2020 and therefore does qualify as self-liquidating. The calculations are provided below. An excess in revenues allows the entire amount of Parking Revenue Bonds outstanding to be deducted from the gross debt of the City in that year. A deficit in revenues must be capitalized and limits the extent to which utility debt is deductible, if at all.

Self-Liquidating Utility Calculation		
	2021	2020
Total Cash Receipts from Fees, Rents or Other Charges	\$ 1,576,226	\$ 1,293,903
Surplus Anticipated	-	250,000
	<u>1,576,226</u>	<u>1,543,903</u>
Debt Service:		
Interest	79,567	84,866
Serial Bonds	230,000	220,000
Total Debt Service	<u>309,567</u>	<u>304,866</u>
Operating and Maintenance Cost	1,350,557	1,148,218
Total Deductions	<u>1,660,124</u>	<u>1,453,084</u>
Excess in Revenues	-	90,819
Deficit in Revenues	<u>\$ 83,898</u>	<u>\$ -</u>

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4. MUNICIPAL DEBT (continued)

Allowable Deductions to Gross Utility Debt		
Deficit: Smaller of Deficit in Revenue or Debt Service	\$ 83,898	\$ -
Deficit Capitalized at 5%	1,677,960	-
Gross Utility Debt	1,590,000	1,820,000
Allowable Deduction After Deficit	-	1,820,000
Cash Held to Pay Bonds and Notes	-	87,763
Allowable Deduction to Gross Utility Debt	\$ -	\$ 1,820,000

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

Year Ended Dec. 31,	General Serial Bonds		School Serial Bonds		Parking Revenue Bonds		Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 6,284,944	\$ 5,928,379	6,130,629.00	2,896,781.00	\$ 235,000	\$ 74,200	\$ 12,650,573	\$ 8,899,360
2023	6,262,955	5,791,858	5,936,427.00	2,393,629.00	245,000	64,800	12,444,382	8,250,287
2024	5,650,000	4,870,222	4,690,000.00	641,950.00	260,000	52,550	10,600,000	5,564,722
2025	8,205,000	4,616,601	4,870,000.00	458,934.00	275,000	39,550	13,350,000	5,115,085
2026	6,910,000	4,217,777	1,430,000.00	301,610.00	280,000	25,800	8,620,000	4,545,187
2027-2031	35,903,000	17,276,122	12,410,000.00	853,177.00	295,000	11,800	48,608,000	18,141,099
2032-2036	40,495,000	11,139,487	1,231,000.00	85,242.00	-	-	41,726,000	11,224,729
2037-2041	28,085,000	5,091,153	-	-	-	-	28,085,000	5,091,153
2042-2046	8,375,000	2,316,413	-	-	-	-	8,375,000	2,316,413
2047-2050	6,868,000	516,913	-	-	-	-	6,868,000	516,913
	\$ 153,038,899	\$ 61,764,925	\$ 36,698,056	\$ 7,631,323	\$ 1,590,000	\$ 268,700	\$ 191,326,955	\$ 69,664,948

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	Sewer		Water	Sewer		Water	Sewer
	Accrual	Accrual		Accrual	Accrual		Accrual	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			

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 4. MUNICIPAL DEBT (continued)

LOANS PAYABLE

Green Trust Loans Payable - The City has outstanding at December 31, 2021 and 2020 various Green Trust Loans. The following table is a summary of the activity for such debt during the year ended December 31, 2021 and the short term principal liability for each issue:

Description	2021 Summary of Green Trust Loans Activity			Balance Dec. 31, 2021	Due by Dec. 31, 2022
	Balance Dec. 31, 2020	Increase	Decrease		
1995 GFB					
Issued 2006 for \$171,000					
Maturing annually from 2007 to 2026					
Bearing variable interest rates	\$ 55,121	\$ -	\$ 9,578	\$ 45,543	\$ 9,771
95GT					
Issued 2006 for \$100,000					
Maturing annually from 2007 to 2026					
Bearing variable interest rates	32,235	-	5,602	26,633	5,714
	<u>\$ 87,356</u>	<u>\$ -</u>	<u>\$ 15,180</u>	<u>\$ 72,176</u>	<u>\$ 15,485</u>

The following table is a summary of the activity for such debt during the year ended December 31, 2020 and the short term principal liability for each issue:

Description	2020 Summary of Green Trust Loans Activity			Balance Dec. 31, 2020	Due by Dec. 31, 2021
	Balance Dec. 31, 2019	Increase	Decrease		
1995 GFB					
Issued 2006 for \$171,000					
Maturing annually from 2007 to 2026					
Bearing variable interest rates	\$ 64,511	\$ -	\$ 9,390	\$ 55,121	\$ 9,578
95GT					
Issued 2006 for \$100,000					
Maturing annually from 2007 to 2026					
Bearing variable interest rates	37,726	-	5,491	32,235	5,602
	<u>\$ 102,237</u>	<u>\$ -</u>	<u>\$ 14,881</u>	<u>\$ 87,356</u>	<u>\$ 15,180</u>

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 Dec. 31,	Green Trust Loans	
	Principal	Interest
2022	\$ 15,485	\$ 1,366
2023	15,796	1,055
2024	16,114	738
2025	16,438	414
2026	8,343	84
	<u>\$ 72,176</u>	<u>\$ 3,657</u>

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 4. MUNICIPAL DEBT (continued)

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.

Bond Anticipation Note activity for the year ended December 31, 2021 is as follows:

Ordinance	Original Issue		December 31, 2020			Bonds Issued	Paid, Less Renewed	December 31, 2021		
	Date	Amount	Interest Rate	Maturity Date	Balance			Balance	Maturity Date	Interest Rate
Various Capital Improvements:										
O-16-66	10/19/2017	\$ 4,500,000	1.50%	9/2/2021	\$ 4,409,000	\$ -	\$ 91,000	\$ 4,318,000	8/16/2022	1.00%
O-17-21	10/19/2017	1,675,000	1.50%	9/2/2021	1,611,000	-	64,000	1,547,000	8/16/2022	1.00%
O-18-51	05/24/2019	3,475,000	1.50%	9/2/2021	3,475,000	-	-	3,475,000	4/28/2022	1.50%
Roadway Improvements-LeFante										
O-17-28	10/3/2018	550,000	1.50%	9/2/2021	550,000	-	15,000	535,000	8/16/2022	1.00%
Aqueduct Improvements										
O-18-52	10/18/2019	1,000,000	0.65%	9/17/2021	1,000,000	-	1,000,000	-	*	*
					<u>\$ 11,045,000</u>	<u>\$ -</u>	<u>\$ 1,170,000</u>	<u>\$ 9,875,000</u>		

Bond Anticipation Note activity for the year ended December 31, 2020 is as follows:

Ordinance	Original Issue		December 31, 2019			Bonds Issued	Paid, Less Renewed	December 31, 2020		
	Date	Amount	Interest Rate	Maturity Date	Balance			Balance	Maturity Date	Interest Rate
Refunding of Tax Appeals:										
O-15-29	12/22/2015	\$ 4,230,000	3.00%	5/22/2020	\$ 846,000	\$ -	\$ 846,000	\$ -	*	*
Various Capital Improvements:										
O-16-66	10/19/2017	4,500,000	2.50%	9/18/2020	4,500,000	-	91,000	4,409,000	9/2/2021	1.50%
O-17-21	10/19/2017	1,675,000	2.50%	9/18/2020	1,675,000	-	64,000	1,611,000	9/2/2021	1.50%
O-18-51	05/24/2019	3,475,000	3.00%	5/22/2020	3,475,000	-	-	3,475,000	5/11/2021	2.50%
BLRA Dissolution:										
O-13-23	7/25/2013	43,735,000	3.50%	5/22/2020	27,026,000	27,026,000	-	-	*	*
Roadway Improvements-LeFante										
O-17-28	10/3/2018	550,000	2.50%	9/18/2020	550,000	-	-	550,000	9/2/2021	1.50%
Aqueduct Improvements										
O-18-52	10/18/2019	1,000,000	2.00%	9/18/2020	1,000,000	-	-	1,000,000	9/17/2021	0.65%
					<u>\$ 39,072,000</u>	<u>\$ 27,026,000</u>	<u>\$ 1,001,000</u>	<u>\$ 11,045,000</u>		

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4. MUNICIPAL DEBT (continued)

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. 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 emergency resolution. The following is a schedule of special emergency note activity for the year ended December 31, 2021.

Ordinance	Original Issue		December 31, 2020			Paid Down	December 31, 2021		
	Date	Amount	Interest Rate	Maturity Date	Balance		Balance	Maturity Date	Interest Rate
Revaluation									
O-19-01	10/18/2019	\$ 747,890	2.00%	9/18/2021	\$ 598,312	\$ 150,312	\$ 448,000	8/16/2022	1.00%

The following is a schedule of special emergency note activity for the year ended December 31, 2020.

Ordinance	Original Issue		December 31, 2019			Paid Down	December 31, 2020		
	Date	Amount	Interest Rate	Maturity Date	Balance		Balance	Maturity Date	Interest Rate
Revaluation									
O-19-01	10/18/2019	\$ 747,890	2.00%	9/18/2020	\$ 747,890	\$ 149,578	\$ 598,312	9/18/2021	2.00%

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2021 and 2020, the City has authorized but not issued bonds and notes of \$32,034,629 and \$50,170,479, 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, 2021:

	Balance		Balance	
	Dec. 31, 2020	Increased	Decreased	Dec. 31, 2021
General Improvements	\$ 50,170,479	\$ 68,017,214	\$ 86,153,064	\$ 32,034,629
School Improvements	-	13,500,000	13,500,000	-
	<u>\$ 50,170,479</u>	<u>\$ 81,517,214</u>	<u>\$ 99,653,064</u>	<u>\$ 32,034,629</u>

The following activity relates to bonds and notes authorized but not issued that occurred during the year ended December 31, 2020:

	Balance		Balance	
	Dec. 31, 2019	Increased	Decreased	Dec. 31, 2020
General Improvements	\$ 21,430,694	\$ 31,955,595	\$ 3,215,810	\$ 50,170,479
School Improvements	3,700,000	-	3,700,000	-
	<u>\$ 25,130,694</u>	<u>\$ 31,955,595</u>	<u>\$ 6,915,810</u>	<u>\$ 50,170,479</u>

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, 2021 and 2020 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:

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 5. FUND BALANCES APPROPRIATED (continued)

	Fund Balance Dec. 31, 2021	Utilized in 2022 Budget	Fund Balance Dec. 31, 2020	Utilized in 2021 Budget
Cash Surplus	\$ 16,399,950	\$ 3,000,000	\$ 13,212,359	\$ 7,528,380
Non-Cash Surplus	3,674,982	-	4,188,986	-
	<u>\$ 20,074,932</u>	<u>\$ 3,000,000</u>	<u>\$ 17,401,345</u>	<u>\$ 7,528,380</u>
Capital Fund	\$ 625,995	\$ -	\$ 625,995	\$ -
Parking Utility Fund:				
Operating	201,693	-	201,693	-
Capital	450,007	-	450,007	-

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION

Substantially all City employees participate in the Consolidated Police and Fireman’s Pension Fund (CPFPPF), 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 CPFPPF, which is a single employer plan. The CPFPPF, 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 - CPFPPF

The Consolidated Police and Fireman's Pension Fund (CPFPPF) is a single employer contributory defined benefit plan which was established on January 1, 1952, under the provisions of N.J.S.A. 43:16 to provide retirement, death and disability benefits to county and municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members. The City currently only makes contributions for its retirees who are enrolled in this pension fund. During the years ended December 31, 2021, 2020 and 2019, the City contributed \$-0-, \$19,051 and \$19,037, respectively.

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.

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

STATE-MANAGED PENSION PLANS – PERS (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, 2019 and 2018 this base salary amount was \$8,400 and \$8,300, 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 64. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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 retirement age of their respective tier. 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:

Year Ended December 31,	City Contribution			Employee Contributions		
	Amount Paid or Charged	As a Percentage of Base Wages	Base Wages Subject to Contributions	As a Percentage of Base Wages	Amount Contributed	
2021	\$ 2,361,325	13.30%	\$ 17,751,839	7.50%	\$ 1,331,391	
2020	2,420,791	13.96%	17,343,993	7.50%	1,300,721	
2019	2,403,589	14.21%	16,917,748	7.50%	1,268,832	

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

The total pension liability for the June 30, 2021 and June 30, 2020 measurement dates were determined by actuarial valuations as of July 1, 2020 and 2019, respectively, which were rolled forward to June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, the City's net pension liability for PERS, including the City's proportionate share, was as follows:

Year Ended June 30,	Proportionate Share		Net Pension Liability
	Rate	Change	
2021	0.23596%	0.00183%	\$ 27,952,799
2020	0.23413%	0.00226%	38,180,329

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 as of June 30, 2021 and 2020, 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:

At:	2021		2020	
	Rate	Amount	Rate	Amount
1% Decrease	6.00%	\$ 38,066,044	6.00%	\$ 48,062,665
Current Discount Rate	7.00%	27,952,799	7.00%	38,180,329
1% Increase	8.00%	19,370,277	8.00%	29,794,897

Actuarial Assumptions

The total pension liability for the June 30, 2021 and June 30, 2020 measurement dates were determined by actuarial valuations as of July 1, 2020 and 2019, respectively, which were rolled forward to June 30, 2021 and 2020, respectively. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

	For Measurement Date of:	
	June 30, 2021	June 30, 2020
Inflation Rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.00-6.00% based on years of service	2.00-6.00% based on age
Thereafter	3.00-7.00% based on years of service	3.00-7.00% based on age
Investment Rate of Return	7.00%	7.00%

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Mortality – For the June 30, 2021 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 for the June 30, 2021 measurement, and MP-2020 for the June 30, 2020 measurement, respectively. The Actual assumptions used in the July 1, 2020 and July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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, 2021 and June 30, 2020) 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 PERS target asset allocations as of June 30, 2021 and 2020 are summarized in the following table:

June 30, 2021			June 30, 2020		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%	U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.71%	Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.96%	Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.30%	Private Equity	13.00%	11.42%
Real Estate	8.00%	9.15%	Real Assets	3.00%	9.73%
Real Assets	3.00%	7.40%	Real Estate	8.00%	9.56%
High Yield	2.00%	3.75%	High Yield	2.00%	5.95%
Private Credit	8.00%	7.60%	Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	1.68%	Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%	Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%	U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.35%	Risk Mitigation Strategies	3.00%	3.40%

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021 and June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer as of June 30, 2021 and 78% of the actuarially determined contributions for the State employer as of June 30, 2020 and 100% of actuarially determined contributions for the local employers for both June 20, 2021 and June 30, 2020. 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 to determine the total pension liability.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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 for the years ended June 30, 2021 and 2020:

	June 30, 2021			June 30, 2020		
	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 Difference Between Expected and Actual Experience	\$ 145,578	\$ 9,951,377	\$ (9,805,799)	\$ 1,238,613	\$ 15,986,465	\$ (14,747,852)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	440,852	200,109	240,743	695,201	135,022	560,179
Changes in Proportion	-	7,363,502	(7,363,502)	1,305,034	-	1,305,034
	661,071	839,603	(178,532)	551,628	1,219,514	(667,886)
	<u>\$ 1,247,501</u>	<u>\$ 18,354,591</u>	<u>\$ (17,107,090)</u>	<u>\$ 3,790,476</u>	<u>\$ 17,341,001</u>	<u>\$ (13,550,525)</u>

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

Year Ended June 30,	
2022	\$ (6,665,202)
2023	(4,758,938)
2024	(3,244,784)
2025	(2,439,113)
2026	948
	<u>\$ (17,107,090)</u>

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.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

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:

Year Ended December 31,	City Contribution		Base Wages Subject to Contributions	Employee Contributions	
	Amount Paid or Charged	As a Percentage of Base Wages		As a Percentage of Base Wages	Amount Contributed
2021	\$ 13,989,775	36.93%	\$ 37,886,888	10.00%	\$ 3,788,689
2020	12,427,779	33.95%	36,603,540	10.00%	3,660,354
2019	12,922,325	32.30%	40,007,941	10.00%	4,000,794

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.

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, 2021 and 2020, 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:

Year Ended June 30,	City (employer)		Net Pension Liability	State of N.J. (nonemployer)	Total
	Proportionate Share Rate	Change		On-Behalf of City	
2021	1.03506%	-0.13179%	\$ 75,654,329	\$ 21,277,765	\$ 96,932,094
2020	1.16685%	0.02990%	150,772,270	23,399,169	174,171,439

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 and 2020, 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:

At:	2021		2020	
	Rate	Amount	Rate	Amount
1% Decrease	6.00%	\$ 114,878,732	6.00%	\$ 200,496,085
Current Discount Rate	7.00%	75,654,329	7.00%	150,772,270
1% Increase	8.00%	43,004,249	8.00%	109,472,842

Actuarial Assumptions

The total pension liability for the June 30, 2021 and June 30, 2020 measurement dates were determined by actuarial valuations as of July 1, 2020 and 2019, respectively, which were rolled forward to June 30, 2021 and 2020, respectively. These actuarial valuations used the following actuarial assumptions:

	For Measurement Date of:	
	June 30, 2021	June 30, 2020
Inflation Rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through all future years (based on years of service)	3.25-15.25%	3.25-15.25%
Investment Rate of Return	7.00%	7.00%

Mortality – For the June 30, 2021 and June 30, 2020 Measurement Date, preretirement mortality rates were based on the Pub-2010 Safety Employee Mortality table with a 105.6% adjustment for males and 102.5 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 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152% adjustment for males and 109.3% 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 for the June 30, 2021 measurement, and MP-2020 for the June 30, 2020 measurement, respectively.

The actuarial assumptions used in the July 1, 2020 and July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021 and June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer as of June 30, 2021 and 78% of the actuarially determined contributions for the State employer as of June 30, 2020 and 100% of actuarially determined contributions for the local employers for both June 30, 2021 and June 30, 2020. 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 to determine the total pension liability.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2021 and June 30, 2020) 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, 2021 and 2020 are summarized in the following table:

June 30, 2021			June 30, 2020		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%	U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.71%	Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.96%	Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.30%	Private Equity	13.00%	11.42%
Real Estate	8.00%	9.15%	Real Assets	3.00%	9.73%
Real Assets	3.00%	7.40%	Real Estate	8.00%	9.56%
High Yield	2.00%	3.75%	High Yield	2.00%	5.95%
Private Credit	8.00%	7.60%	Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	1.68%	Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%	Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%	U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.35%	Risk Mitigation Strategies	3.00%	3.40%

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 and 2020:

	June 30, 2021			June 30, 2020		
	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	\$ 402,564	\$ 22,673,256	\$ (22,270,692)	\$ 379,418	\$ 40,421,143	\$ (40,041,725)
Difference Between Expected and Actual Experience	863,124	9,062,607	(8,199,483)	1,520,040	541,103	978,937
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	32,238,771	(32,238,771)	8,840,483	-	8,840,483
Changes in Proportion	4,508,764	24,126,587	(19,617,823)	6,417,105	9,394,378	(2,977,273)
	<u>\$ 5,774,452</u>	<u>\$ 88,101,221</u>	<u>\$ (82,326,769)</u>	<u>\$ 17,157,046</u>	<u>\$ 50,356,624</u>	<u>\$ (33,199,578)</u>

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

Year Ended June 30,	
2022	\$ (26,355,940)
2023	(19,783,915)
2024	(16,975,985)
2025	(16,740,383)
2026	(2,111,577)
Thereafter	(358,968)
	<u>\$ (82,326,769)</u>

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.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2022, is \$725,025, consisting of \$631,610 on the PFRS deferral and \$93,415 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. The following table represents the City and employee contributions during the previous three years:

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Year Ended	Employee Contributions		City Contribution	
	Amount	Rate	Amount	Rate
Dec. 31, 2021	\$ 69,339	5.5%	\$ 37,821	3.0%
Dec. 31, 2020	61,074	5.5%	33,313	3.0%
Dec. 31, 2019	51,600	5.5%	28,145	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

Regulatory Basis Disclosure – On June 16, 2022, the New Jersey Division of Local Government Services issued Local Finance Notice 2022-12 which allows municipalities to include in their annual audits the most recent available audited GASB 75 financial information published by the New Jersey Division of Pension and Benefits. As of the date of this report information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed.

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.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 7. POST-EMPLOYMENT BENEFITS

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 on 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. 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.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Obligation – The components of the net OPEB liability of the City at June 30, 2020 and 2019 are as follows:

	2020	2019
City's Share of:		
Total OPEB Liability	\$ 1,216,624	\$ 864,636
OPEB Plan fiduciary net position	10,971	16,787
Net OPEB liability	\$ 1,205,653	\$ 847,849
Plan fiduciary net position as a percentage of total OPEB liability	0.91%	1.98%

Actuarial Assumptions

The total OPEB liability was determined by actuarial valuations as of June 30, 2019 and 2018, which were rolled forward to June 30, 2020 and 2019, respectively. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Measurement Date of	Inflation Rate	Salary Increases		Based on:
		Through 2026	Thereafter	
June 30, 2020	PERS 2.50%	2.00-6.00%	3.00-7.00%	Years of
	PFRS 2.50%	3.25-15.25%	3.25-15.25%	Service
June 30, 2019	PERS 2.50%	2.00-6.00%	3.00-7.00%	Years of
	PFRS 2.50%	3.25-15.25%	3.25-15.25%	Service

For the June 30, 2020 measurement date, PERS mortality rates were based on the Pub-2010 general classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020. PFRS mortality rates were based on the Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020. Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively. 100% of active members are considered to participate in the Plan upon retirement.

For the June 30, 2019 measurement date, PERS mortality rates were based on the Pub-2010 general classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019. PFRS mortality rates were based on the Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019. Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively. 100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions – For the June 3, 2020 measurement date, for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used in 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

For the June 3, 2019 measurement date, for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Discount Rate – The discount rate for June 30, 2020 and June 30, 2019 was 2.21% and 3.50%, 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.

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, 2020 and 2019, 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:

At:	2020		2019	
	Rate	Amount	Rate	Amount
1% Decrease	1.21%	\$ 1,425,337	2.50%	\$ 980,329
Current Discount Rate	2.21%	1,205,653	3.50%	847,849
1% Increase	3.21%	1,031,753	4.50%	740,191

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, 2020 and 2019, 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:	2020	2019
1% Decrease	\$ 997,679	\$ 715,480
Current Discount Rate	1,205,653	847,849
1% Increase	1,477,998	1,016,708

Deferred Outflows and Deferred Inflows of Resources

The OPEB expense and deferred outflows and deferred inflows of resources at June 30, 2020 and 2019 were as follows:

	June 30, 2020			June 30, 2019		
	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	\$ 180,328	\$ 268,119	\$ (87,791)	\$ -	\$ 300,459	\$ (300,459)
Difference Between Expected and Actual Experience	31,756	224,515	(192,759)	-	247,944	(247,944)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	766	-	766	698	-	698
Changes in Proportion	89,338	641,993	(552,655)	-	787,283	(787,283)
	<u>\$ 302,188</u>	<u>\$ 1,134,627</u>	<u>\$ (832,439)</u>	<u>\$ 698</u>	<u>\$ 1,335,686</u>	<u>\$ (1,334,988)</u>

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

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:

<u>Year Ended June 30,</u>		
2021	\$	(192,828)
2022		(193,003)
2023		(193,285)
2024		(193,544)
2025		(131,972)
Thereafter		<u>72,193</u>
	\$	<u><u>(832,439)</u></u>

OPEB Expense

The components of allocable OPEB expense, which exclude OPEB expense related to specific liabilities of individual employers, for the year ending June 30, 2020 are as follows:

	<u>2020</u>	<u>2019</u>
Proportionate Share of Allocable Plan OPEB Expense	\$ 9,539	\$ (7,902)
Net Amortizations of Deferred Amounts from Changes in Proportion	<u>(132,286)</u>	<u>(145,290)</u>
OPEB Expense (Benefit)	<u><u>\$ (122,747)</u></u>	<u><u>\$ (153,192)</u></u>

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 of 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, 2020 is \$1,798,736, which represents 8 plan members, constituting .032930% of the State’s total proportionate share of net OPEB liability.

NOTE 8. COMPENSATED ABSENCES

Employees may accumulate unlimited sick time. Upon retirement, union employees with a minimum of 100 accrued sick days may receive a cash payment of one-third of accumulated sick time up to a maximum of \$12,500. Employees may carry vacation over for only one year. Upon termination or retirement, employees may receive a cash payment for the full value of their accumulated vacation time. As of December 31, 2021 and 2020, the total accumulated absence liability was \$5,958,443 and \$6,662,536, respectively. No funds are reserved for accumulated absences, however, the City budgets compensated absence appropriations annually in the applicable department line items.

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9. RISK MANAGEMENT

Insurance Coverage - The City is exposed to various property and casualty risks including: property damage caused to any of the City's property, motor vehicles, equipment or apparatus; liability resulting from the use or operation of such motor vehicles, equipment apparatus; liability from the City's negligence, including that of its officers, employees and servants; and workers' compensation obligations.

The City established a self-insurance program in accordance with New Jersey Statute Chapter 40:10-6. The Chapter enables the governing body of any local unit to create a fund to provide insurance coverage for its exposure to a wide variety of property casualty risks, including property damage caused to any of the unit's property, motor vehicles, equipment or apparatus; liability resulting from the use or operation of such motor vehicles, equipment or apparatus; liability for the unit's negligence, including that of its officers, employees and servants and workers' compensation obligations.

On August 17, 2011, the City authorized participation in and the execution of an Indemnity and Trust Agreement with the New Jersey Intergovernmental Insurance Fund (the "NJIF") for the provision of property and casualty insurance coverage. The NJIF is a public entity created in 1991 and offers coverage to municipalities, counties, and school districts statewide. The NJIF is a New Jersey approved, self-insured, reinsured public entity insurance pool which offers all New Jersey public entities multiple lines of insurance. The City renewed its membership in the NJIF for a three (3) year term commencing December 31, 2015 through December 31, 2018, again from December 31, 2018 through December 31, 2021 and, most recently, from December 31, 2021 through December 31, 2024. The City's deductible during this current renewal term is \$15,000 for General Liability claims; \$20,000.00 for Auto Liability claims; \$25,000 for worker's compensation claims; \$25,000 for public officials' liability claims (excluding EPLI); and \$35,000 for police professional liability.

The City has obtained the following coverage through the NJIF:

- Equipment Breakdown coverage in the amount of \$100,000,000.
- Crime coverage including employee dishonesty, forgery, alterations, theft, robbery and fraud in the amount of \$1,000,000.
- Environmental Impairment coverage in the amount of \$20,000,000.
- Workers' Compensation coverage in the amount of \$2,000,000.
- General, Automobile and Employee Benefits liability coverage in the amount of \$15,000,000.
- Public Entity Management Liability coverage, including Public Official's Liability and Employment Practices Liability coverage, in the amount of \$10,000,000.
- Surety bonds for the City Treasurer, Chief Financial Officer, Tax Collector and Municipal Court Judges.

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.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10. STATE AID RECEIVABLE – QUALIFIED BONDS

The Division required municipalities reverting to a calendar year to anticipate a full year of State Aid during the six month transition year. The City receives State Aid in two forms: cash payments and qualified bond payments in lieu of direct aid in cash. Qualified bonds are State Aid payments withheld by the State and forwarded directly to paying agents for principal and interest payments on the bonds. During the transition year ended December 31, 2011, the City certified qualified bond maturity schedules for the twelve month period of July 1, 2011 to June, 30, 2012, six months beyond the end of the transition year. As a result, the City recognized State Aid revenues in the amount of \$3,357,695 for debt service payments of the succeeding year, resulting in prepaid debt service at year end. The following schedule summarizes the State Aid received, qualified bond payments applied and the prepaid amounts as of December 31, 2021 and 2020.

STATE AID RECEIVABLE - QUALIFIED BONDS			
	Year Ended Dec. 31, 2021		
Beginning Balance	\$ 2,655,514		\$ 2,600,892
Add: State Aid (1)	8,829,801		8,829,801
	11,485,315		11,430,693
Less: Received in Cash	\$ 1,713,927	\$ 1,671,961	
Adjust Prepaid Debt Service	131,718	-	
Qualified Bond Payments	7,216,623	7,103,218	
	9,062,268		8,775,179
Ending Balance	\$ 2,423,047		\$ 2,655,514

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. Fixed assets were not updated by the City for the years ended December 31, 2021 and 2020, therefore there is no activity to report. The City had the following investment balances in general fixed assets for and as of December 31, 2021 and 2020.

	Balance, Dec. 31, 2021	Balance, Dec. 31, 2020
Land	\$ 166,394,147	\$ 166,394,147
Buildings	10,233,265	10,233,265
Improvements	93,129,774	93,129,774
Machinery, Equipment and Other	22,680,578	22,680,578
	\$ 292,437,764	\$ 292,437,764

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 13. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021, the following deferred charges are shown on the balance sheets of the various funds. The appropriations in the 2021 and 2022 budgets are not less than that required by statute. Whereas statutes require emergency authorizations to be raised in full in the year succeeding their authorization, the City cancelled in 2022 \$53,178 of unused Tropical Storm Ida Emergency Authorizations.

	Balance,			Balance,		2022 Budget	Balance to
	Dec. 31, 2020	Additions	Deductions	Dec. 31, 2021	Appropriations		Succeeding
							Budgets
Payroll Tax Deferral	\$ 848,300	\$ -	\$ 441,295	\$ 407,005	\$ 407,005	\$ -	-
Emergency Authorization							
Tropical Storm Ida	-	350,000	-	350,000	296,822	-	*
Special Emergency Authorizations							
Tax Map (40A:4-53.a)	86,860	-	43,430	43,430	43,430	-	-
Revaluation (40A:4-53.b)	598,312	-	150,312	448,000	150,000	298,000	
	<u>\$ 1,533,472</u>	<u>\$ 350,000</u>	<u>\$ 635,037</u>	<u>\$ 1,248,435</u>	<u>\$ 897,257</u>	<u>\$ 298,000</u>	

At December 31, 2020, the following deferred charges are shown on the balance sheets of the various funds. The appropriations in the 2020 and 2021 budgets are not less than that required by statute.

	Balance,			Balance,		2021 Budget	Balance to
	Dec. 31, 2019	Additions	Deductions	Dec. 31, 2020	Appropriations		Succeeding
							Budgets
Payroll Tax Deferral	\$ -	\$ 848,300	\$ -	\$ 848,300	\$ 441,295	\$ 407,005	
Special Emergency Authorizations							
Tax Map (40A:4-53.a)	130,290	-	43,430	86,860	43,430	43,430	
Revaluation (40A:4-53.b)	747,890	-	149,578	598,312	149,578	448,734	
	<u>\$ 878,180</u>	<u>\$ 848,300</u>	<u>\$ 193,008</u>	<u>\$ 1,533,472</u>	<u>\$ 634,303</u>	<u>\$ 899,169</u>	

NOTE 14. 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 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. Transfers by and between the City's funds during the years ended December 31, 2021 and 2020 consisted of the following:

	December 31, 2021		December 31, 2020	
	Transfers In	Transfers Out	Transfers In	Transfers Out
Current Fund	\$ 77,320,862	\$ 72,026,854	\$ 12,511,412	\$ 22,576,255
Federal & State Grants Fund	32,416,022	37,637,986	22,334,594	14,587,962
General Capital Fund	7,342,637	7,598,043	2,685,656	300,000
Animal Control Fund	10,428	20,598	-	-
Trust Fund - Other Funds	31,614,035	31,328,875	97,909	171,224
Trust Fund - Tax Lien	-	-	5,788	-
Trust Fund - Insurance	203,779	203,212	-	16
Trust Fund - HUD	1,396,175	1,396,175	1,500,577	1,500,577
Parking Utility Operating	1,650,879	1,604,652	1,965,005	1,698,191
Parking Utility Capital Fund	217,773	356,195	210,205	476,921
	<u>\$ 152,172,590</u>	<u>\$ 152,172,590</u>	<u>\$ 41,311,146</u>	<u>\$ 41,311,146</u>

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 14. 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. The Federal and State Grants Fund does not have its own bank account, therefore, the activity of the Fund is run through the Current Fund. As of December 31, 2021, and 2020, the City had the following interfund balances:

2021	2020	Funds Due Between	Purpose
\$ 88,456	\$ -	Current Fund - Utility Capital Fund	Cash Advances
255,406	-	Current Fund - General Capital Fund	Cash Advances
171,226	113,580	Current Fund - Other Trust Fund	Cash Advances
567	-	Current Fund - Insurance Trust Fund	Non-Budget Revenue Realized
4,986	15,156	Current Fund - Animal Control	Statutory Excess
226,067	5,451,416	Current Fund - Grant Fund	Grant Costs, Receipts and Matching
354	-	Grant Fund - Other Trust	Cash Advances
3,739	-	Grant Fund - Utility Operating	Cash Advances
315,883	265,917	Utility Operating - Utility Capital	Cash Advances, Current and Prior

NOTE 15. RELATED PARTY TRANSACTIONS

Bayonne Board of Education - The City has an agreement with the Bayonne Board of Education in which the City is to receive reimbursement for garbage contracts and certain debt service. 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, 2021 and 2020, the City's budget included the following debt service requirements of the Board of Education:

	Year Ended	
	Dec. 31, 2021	Dec. 31, 2020
Debt Service Requirements of the Board of Education:		
Payment of Bond Principal	\$ 7,062,981	\$ 7,004,122
Interest on Bonds	3,390,632	3,555,954
Balance for Support of Board of Education:		
Addition to Local District School Tax	\$ 10,453,613	\$ 10,560,076

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 16. REVENUE ACCOUNTS RECEIVABLE

Revenue accounts receivable are fully reserved receivables due from entities for revenues anticipated in support of the City's budget. The following tables illustrate activity of revenue accounts receivable for the year ended December 31, 2021 and 2020:

	Dec. 31, 2020	Accruals	Collections	Dec. 31, 2021
Fines and Costs - Municipal Court	\$ 52,214	\$ 1,216,909	\$ 1,120,630	\$ 148,493
Payments in Lieu of Taxes				
Alexan City View	-	1,291,013	1,016,838	274,175
Bayonne Equities	-	55,535	-	55,535
PILOT Administrative Fee	-	35,000	32,500	2,500
Royal Caribbean Cruise Port	1,006,545	-	1,006,545	-
	<u>\$ 1,058,759</u>	<u>\$ 2,598,457</u>	<u>\$ 3,176,513</u>	<u>\$ 480,703</u>

	Dec. 31, 2019	Accruals	Collections	Dec. 31, 2020
Fines and Costs - Municipal Court	\$ 171,167	\$ 1,114,985	\$ 1,233,938	\$ 52,214
Payments in Lieu of Taxes				
Costco	250,000	327,201	577,201	-
Bayonne BOE Garbage Contract	156,000	52,000	208,000	-
Bayonne BOE Debt Service	127,500	42,500	170,000	-
Royal Caribbean Cruise Port	996,400	1,006,545	996,400	1,006,545
	<u>\$ 1,701,067</u>	<u>\$ 2,543,231</u>	<u>\$ 3,185,539</u>	<u>\$ 1,058,759</u>

NOTE 17. 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, 2021 and 2020, the Top 10 taxpayers comprised 15% of the City's total tax levies, each year.

Top 10 Taxpayers		Top 10 Taxpayers	
Name	2021 Assessment	Name	2020 Assessment
Bayonne Industries Inc/IMTT	\$ 653,705,800	Bayonne Industries Inc/IMTT	\$ 663,995,400
LEG-BP Bayonne Owner LLC	95,527,000	LEG-BP Bayonne Owner LLC	96,013,200
NJIND Hook Road, LLC	61,947,500	NJIND Hook Road, LLC	61,947,500
Exxon Corporation	52,017,900	190 W 54th St Urban Renewal LLC	58,216,900
Togus Urban Renewal	48,587,500	Exxon Corporation	52,017,900
29 E 29th St Holdings LLC	43,392,300	Texaco Downstream Properties Inc	50,837,300
Gordan Terminal Serv Co of NJ Inc.	38,829,600	WTFK Bayonne Propco, LLC	43,392,300
Howard Warehouse Inc.	36,845,300	Gordon Terminal Serv Co of NJ Inc	38,829,600
Centerpoint Pulaski, LLC	35,367,400	Centerpoint Pulaski, LLC	35,367,400
Millions Inc.	34,865,400	Howard Warehouse Inc	35,006,600
	<u>\$ 1,101,085,700</u>		<u>\$ 1,135,624,100</u>
Net Valuation Taxble	7,532,563,600	Net Valuation Taxble	7,570,296,700
Top 10 Taxpayers as a Percentage of Assessments	15%	Top 10 Taxpayers as a Percentage of Assessments	15%

**CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 17. ECONOMIC DEPENDENCY (continued)

Structural Imbalances - The City has relied on many one-time revenues and structural imbalance offsets to balance their budget. In one such measure, the City has reached a land sale agreement with the Port Authority in which the City will receive annual payments of \$5,000,000 through 2024, including payments of \$5,000,000 received during each of the years ended December 31, 2021 and 2020. In addition, the City plans to make use of funding from Spectra Energy, Bayonne Energy Center, new PILOTs, fund balance, and the continued sale of property and development at the Peninsula at Bayonne Harbor to provide additional revenues. In the 2020 budget, the City included the sale of municipal owned land of \$3,735,000, which is a one-time revenue. Taking into consideration legislation capping the City’s ability to increase its tax levy, the impact on the City’s operations would be significant should the City be unable to obtain adequate replacement revenues.

State Aid - The City is also a recipient of State Aid. During the year ended December 31, 2021 and 2020, 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.

Coronavirus Aid - As a result of the COVID-19 Public Health Emergency, the City incurred additional costs of providing public health, safety and welfare services to City residents, as well as a reduction in revenues including fines, costs, interest, fees and permits. The City is a recipient of cost reimbursement and revenue loss funding through the FEMA Public Assistance Program and Coronavirus Aid, Relief and Economic Security (CARES) Act, and the American Rescue Plan (ARP) as follows:

	2021	2020
American Rescue Plan (ARP) / Local Fiscal Recovery Funds (LFRF)		
Revenue Loss - Current Fund	\$ 3,793,897	\$ -
Revenue Loss - Utility Fund	425,404	-
Expenditures	4,985,000	-
Small Business Grant Program	5,000,000	-
Remaining Unappropriated Funds	3,623,642	-
Coronavirus Aid, Relief and Economic Security Act (CARES)	-	6,814,246
	\$ 17,827,943	\$ 6,814,246

The above table is not all inclusive, as the City has received various other program awards, some of which contain COVID-19 support within the context of the regular program award. In addition, the City received in 2022 the second tranche of ARP funding in the amount of \$17,827,943 for a total two-year program award of \$35,655,886.

NOTE 18. LEASE/LOAN COMMITMENTS

In 2004, the City entered into a financing lease with the Hudson County Improvement Authority in the amount of \$10,000,000 to fund improvements to the City’s public works garage. On June 24, 2015 the City refunded the remaining \$8,300,000 and entered into a new financing lease with the Hudson County Improvement Authority in the amount of \$8,850,000.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 18. LEASE/LOAN COMMITMENTS (continued)

The minimum future lease payments are as follows:

Year Ended December 31,	Principal	Interest
2022	\$ 380,000	\$ 309,900
2023	395,000	294,400
2024	415,000	277,941
2025	425,000	260,084
2026	445,000	240,775
2027-2031	2,570,000	849,041
2032-2034	1,885,000	155,472
	<u>\$ 6,515,000</u>	<u>\$ 2,387,613</u>

The City entered into several loans with the Bayonne City Federal Credit Union.

- ◆ The Fire Truck loan was issued on May 15, 2012 in the original amount of \$177,028 bearing an interest rate of 5.25% for 10 years.
- ◆ The Rescue Vessel loan was issued August 9, 2012 in the original amount of \$77,187 bearing an interest rate of 5.25% for 10 years.
- ◆ The loan for police cars was issued July 17, 2020 in the original amount of \$44,321 bearing an interest rate of 2.49% for 4 years.

The minimum future loan payments are as follows:

Year Ended Dec. 31,	Fire Truck		Rescue Vessel		Police Vehicle	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 9,373	\$ 123	\$ 6,501	\$ 128	\$ 11,056	\$ 576
2023	-	-	-	-	11,335	297
2024	-	-	-	-	5,773	42
	<u>\$ 9,373</u>	<u>\$ 123</u>	<u>\$ 6,501</u>	<u>\$ 128</u>	<u>\$ 28,164</u>	<u>\$ 915</u>

NOTE 19. TAX ABATEMENTS

The City negotiates property tax abatement agreements on an individual basis.

Purpose of Agreements	Taxing Government	Taxes if Billed at Full 2021 Tax Rate	Received for Payments in Lieu of Taxes & Land Tax	Accrued or Paid to Other Governments	Taxes Abated		Aggregate Reduction of Government Revenue
					Amount	(%)	
Construction of Commercial and Residential Redevelopment Projects,	School	\$ 10,729,856	-	-	\$ 10,729,856	100%	-
Low and Moderate Income Housing Projects and Relocation Projects	County	4,670,643	-	542,352	4,128,291	88%	-
	City	14,574,243	9,562,075	(542,352)	5,554,520	38%	-
	Total	<u>\$ 29,974,743</u>	<u>\$ 9,562,075</u>	<u>\$ -</u>	<u>\$ 20,412,668</u>	<u>68%</u>	<u>\$ -</u>
		Budget Revenues	\$ 9,558,630				
		Non-Budget Revenues	3,445				
			<u>\$ 9,562,075</u>				

The full amount to be raised by taxes for support of each Government's budget is levied on properties not subject to such agreements, therefore there is no aggregate reduction of tax revenue to the Governments as a result of the abatement.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 19. TAX ABATEMENTS (continued)

These agreements were negotiated under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the Law), which authorizes municipalities to enter into financial agreements with Urban Renewal Entities. An Urban Renewal Entity is a limited-dividend entity or a nonprofit entity which undertakes redevelopment projects (both commercial and residential), relocation projects for residents displaced by the redevelopment area, and low and moderate income housing projects in return for tax exemptions, or payments in lieu of taxes referred to as “annual service charges”.

The Law allows annual service charges to be calculated as a percentage of either gross revenue from each unit of the project or from total project cost, if the project is not undertaken in units. In the case of low and moderate income housing projects, the annual service charge shall not exceed 15% of annual gross revenue or 2% of total project cost. For all other projects, the annual service charge shall not be less than 10% of annual gross revenue or 2% of total project cost. The City’s abatements are across in multiple categories. There are a total of five stages in the abatement period. The final four phases require the Urban Renewal Entity to remit the greater of the agreed upon annual service charge or 20%, 40%, 60% and 80%, respectively, of the amount of taxes otherwise due on the value of the land and improvements. The Law only allows for taxes on improvements to be abated. Taxes on land are billed quarterly to the Urban Renewal Entity and are credited against the annual service charges due. To administer the billing, the land value and improvement value of the abated property are separate line items in the tax assessment and collection records. The land value is billed quarterly at the total property tax rate. The improvement value is classified as exempt property (Class 15F), generating no bill.

Under the Law, abatements may provide for an exemption period of less than 30 years from the completion of the entire project or less than 35 years from the execution of the financial agreement. Further, Urban Renewal Entity profits are restricted and any excess profits are payable to the municipality as an additional annual service charge. The Law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement. However, in the event of default, the City has the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1 and/or may terminate the agreement. The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 20. 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.

Redeveloper Agreement - On February 20, 2013, the City adopted an ordinance approving a financial instrument and authorizing the execution thereof and other applicable documents related to the issuance by the City of Bayonne of \$17,500,000 Redevelopment Area Bonds (non-recourse to the full faith and credit of the City of Bayonne) and determining various other matters in connection therewith. 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”).

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 20. CONTINGENT LIABILITIES (continued)

To assist the Redeveloper in financing the Project costs as set forth in the redevelopment agreement, the City, as redevelopment entity, will issue bonds pursuant to the Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12-64, et seq. Pursuant to the Bond Financing Law, the City intends to pledge, to the extent required, the annual service charges paid to the City by the Redeveloper for debt service on the Bonds provided, however, that five percent (5%) of the annual service charges shall not be subject to such pledge in accordance with N.J.S.A. 40A:20-12 (the "County Share"). 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.

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. They are renewable annually for five to seven years after their date of issuance, with the amortization schedule approved by the Local Finance Board. At December 31, 2021 and 2020, the City had \$642,955 and \$402,404, respectively, on reserve in its current fund to pay for future appeals.

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.

Affordable Housing - The State has passed legislation which would seize uncommitted affordable housing funds from municipalities. After rounds of appeals and court orders, the Appellate Division has ruled that the State can seize such funds, assuming proper notice and the ability for municipalities to contest the State's findings are provided. The extent of the City's Affordable Housing funds subject to seizure by the State, if any, is uncertain. As of December 31, 2021 and 2020, the City had balances of \$1,531,126 and \$522,684, respectively, in its Affordable Housing Trust.

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, 2021 and 2020 were subject to the Uniform Guidance and State of New Jersey OMB Circular 15-08 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.

Litigation - The City is a defendant in various lawsuits, none of which is unusual for a municipality of its size and should be adequately covered by the City's insurance program, defense program or by the City directly and which may be settled in a manner satisfactory to the financial stability of the City. It is anticipated that any judgments in excess of insured coverage would be paid by the City through future taxation or future debt borrowing. The following paragraphs describe some of the lawsuits in which the City, its employees or officers are named as defendants, however, the list includes those claims where the plaintiffs, if they should prevail, are likely to pursue damages or a remedy not covered by the Joint Insurance Fund, and therefore the list is not inclusive of all City litigation:

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 20. CONTINGENT LIABILITIES (continued)

Bayonne Redevelopers Residential Urban Renewal Block 780 LLC – Plaintiff alleges breach of the Redevelopment, Purchase and Sale Agreement pursuant to which the City conveyed property known as “Harbor Station South. Plaintiff contends that it is due a financial credit since it has paid taxes far in excess of the property tax cap established in the Redevelopment Agreement. Discovery is just underway and it is too early for Counsel to assess the City’s exposure.

Percella, – Plaintiff, a former City employee, alleges violations of NJLAD, including unlawful termination and hostile work environment. Plaintiff contends to have been the subject of retaliation as a result of complaining about alleged improper actions by certain City officials. Though the case was dismissed on February 3, 2020, the Plaintiff’s new counsel filed an appeal and the dismissal was overturned and the case remanded for further action. Given that this case is unlikely to be disposed of on a motion for summary judgement, the City has agreed to engage in mediation which is scheduled for 9/16/22. The City is not yet in receipt of a pre-mediation settlement demand.

Executor of the Estate of Vargas – In this case the Bayonne Police Department was contacted to conduct a welfare check on a former City employee. Plaintiffs claim the Police improperly broke into the home and shot the decedent. Plaintiffs made a \$30 million settlement demand, most recently reduced to \$14.5 million after two sessions of private mediation and one court-ordered settlement conference in 2022. It is anticipated that one, final mediation session will be held, and failing settlement, trial will be scheduled.

Cresci - Plaintiff claims that his rights were violated when he was arrested by Bayonne police under the pretext of a traffic stop and was handcuffed under the guise of a bench warrant dated June 9, 2019. Plaintiff alleges false arrest and imprisonment, illegal search and seizure, retaliation for engaging in protected activities, as well as several RICO claims against the defendants. Plaintiff seeks monetary damages and injunctive relief. Defense counsel filed a motion to dismiss in lieu of answer which motion was granted without prejudice. Plaintiff filed three subsequent amended complaints, all of which were also dismissed. On April 18, 2022 the District Court entered a text order allowing Plaintiff to again file an amended complaint. That filing has not yet been made.

Gonzalez - Plaintiff claims he was assaulted and arrested and prosecuted without probable cause by the City Defendants. Plaintiff claims violation of his civil rights pursuant to the NJ Civil Rights Act. Discovery is just underway.

Matthews - Plaintiff, who was appointed to the position of Business Administrator by the City in May, 2020, filed a six-count complaint alleging that she was subject to a hostile work environment on the basis of her gender in violation of NJLAD. Matthews has also alleged retaliation in violation of CEPA for complaining about the gender-based harassment. Plaintiff alleges intentional infliction of emotional distress and seeks compensatory and punitive damages. At its July, 2022 Reorganization Meeting, Plaintiff was not reappointed as Business Administrator, but was offered her prior civil service position, which she declined to accept. It is anticipated that Matthews will amend her complaint to assert a claim of wrongful/retaliatory termination. The Parties were referred to mediation and have selected a mediator.

Ross - Plaintiff alleges that she suffered humiliation and other injury during her employment from 2014 through 2018 because of a sexually charged environment. Plaintiff further claims that she was subject to a hostile work environment based upon her gender, and that when she reported the harassment, Defendants retaliated and the harassment became worse, resulting in termination of her employment. Extensive paper discovery and Plaintiff’s deposition have been undertaken. Plaintiff is now seeking numerous City Defendant depositions, which will be scheduled. Evaluation of the viability of Plaintiff’s claims and potential City exposure awaits completion of depositions.

In addition, the City, its officers and employees are defendants in a number of lawsuits including, but not limited to, lawsuits alleging employment discrimination and alleged violations of civil rights.

CITY OF BAYONNE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 21. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 15, 2022 the date which the financial statements were available to be issued. Material events are disclosed as follows:

\$2,500,000 Bond Ordinance - On January 19, 2022, the City adopted a bond ordinance providing for various roadway improvements, by and in the City, appropriating \$2,500,000 therefor (including a New Jersey Department of Transportation Grant in the amount of \$802,443) and authorizing the issuance of \$1,697,557 bonds or notes to finance the cost thereof.

\$18,075,000 Bond Ordinance – On March 16, 2022, the City adopted a bond ordinance providing for various 2022 capital improvements, by and in the City; appropriating \$18,075,000 therefor (including grants in the aggregate amount of \$7,231,963) and authorizing the issuance of \$10,389,461 bonds or notes of the city to finance part of the costs thereof.

\$10,665,000 Local Unit Loan Program Notes – On April 18, 2022 the Hudson County Improvement Authority (HCIA), as part of its Local Unit Loan Program, issued Series 2022A-1 Notes at an interest rate of 3% maturing on April 17, 2023. The HCIA issued \$10,665,000 of these notes on behalf of the City of Bayonne. These notes are direct and general obligations of the City.

\$6,528,000 Local Unit Loan Program Notes – On August 5, 2022 the Hudson County Improvement Authority (HCIA), as part of its Local Unit Loan Program, issued Series 2022B-1 Notes at an interest rate of 3% maturing on August 4, 2023. The HCIA issued \$6,528,000 of these notes on behalf of the City of Bayonne. These notes are direct and general obligations of the City.

CITY OF BAYONNE

REPORT OF AUDIT

**STATISTICAL SECTION
(UNAUDITED)**

CITY OF BAYONNE
ROSTER OF OFFICIALS IN OFFICE
On December 31, 2021

<u>Name</u>	<u>Title</u>
James Davis	Mayor
Sharon Ashe-Nadrowski	Council President
Juan M. Perez	Council Member At-Large
Neil Carroll III	First Ward Council Member
Salvatore Gullace	Second Ward Council Member
Gary LaPelusa, Sr.	Third Ward Council Member
Melissa Matthews	Business Administrator
Donna Mauer	Chief Financial Officer
Madelene C. Medina	City Clerk
Rosemarie Martinez	Tax Collector
Claudia Geerin	Treasurer / Comptroller
Michele Hennessey	Tax Assessor
Robert Kubert	Public Safety Director
Jay Coffey	Corporation Counsel
Frank T. Carpenter III	Presiding Municipal Court Judge
Cheryl Scott Cashman	Municipal Court Judge
Susan Ferraro	Municipal Court Judge
Lynn Steneck	Court Administrator
Keith Weaver	Fire Chief
Robert Geisler	Police Chief
Thomas Cotter	Director of Public Works

The City carries the following coverage:

- Government Crime - Employee Theft coverage of \$1,000,000 per occurrence.
- Public Entity Management Liability coverage, including Public Official's Liability and Employment Practices Liability coverages, in the amount of \$3,000,000.

Table 1

**CITY OF BAYONNE
STATISTICAL SECTION
(UNAUDITED)**

FIVE-YEAR HISTORY OF GOVERNMENTAL EXPENDITURES*

	2021	2020	2019	2018	2017
General Government	\$ 6,513,500	\$ 6,057,350	\$ 5,910,500	\$ 5,991,200	\$ 5,645,600
Land Use Administration	584,000	559,000	506,000	556,000	555,000
Insurance	14,975,000	17,750,800	17,562,000	19,839,000	19,789,000
Public Safety Functions	46,375,477	44,451,999	46,993,524	47,449,395	46,570,400
Public Works Functions	7,071,000	7,307,955	7,770,000	7,606,761	7,975,000
Health and Human Services Functions	2,014,680	995,100	952,934	933,000	822,000
Parks and Recreation Functions	4,621,000	4,583,000	5,015,000	4,892,000	4,455,000
Education Functions	2,639,689	2,368,506	2,116,781	1,954,139	1,811,298
Other Common Operating Functions	1,921,500	2,014,500	81,500	81,500	77,500
Utility Expenses and Bulk Purchases	2,472,000	2,300,000	2,103,000	2,102,000	1,988,000
Landfill & Solid Waste Disposal Costs	3,650,000	4,550,000	4,205,000	3,705,000	3,498,000
Contingent	1,000	1,000	1,000	1,000	1,000
Statutory Expenditures	18,737,656	15,730,084	17,538,052	16,053,800	15,014,000
Federal and State Grants	13,277,994	12,052,497	14,672,979	2,894,084	2,556,745
Interlocal Service Agreements	134,000	62,000	52,000	142,000	142,000
Municipal Court	1,320,000	1,330,000	1,214,000	1,212,000	1,197,000
Capital Improvements	850,000	300,000	1,100,000	100,000	20,000
Municipal Debt Service	13,704,101	13,411,166	13,637,852	12,384,843	13,330,835
Deferred Charges	193,008	396,971	43,430	43,430	41,920
School District Debt Service	10,453,613	10,560,076	10,521,000	10,633,000	10,233,000
Reserve for Uncollected Taxes	1,102,534	1,730,049	1,676,212	1,740,000	1,700,000
Emergency Appropriations	350,000	244,500	747,890	-	217,150
Total	<u>\$ 152,961,752</u>	<u>\$ 148,756,553</u>	<u>\$ 154,420,654</u>	<u>\$ 140,314,152</u>	<u>\$ 137,640,448</u>

* Refers to Current Fund Appropriation Budget after Modifications.

Table 2

CITY OF BAYONNE
STATISTICAL SECTION
(UNAUDITED)
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-Budget Revenues & Other Items	Total
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
2020	95,883,977	64,747	11,589,023	8,829,801	62,000	11,863,964	20,799,039	2,755,150	151,847,701
2019	93,585,203	174,084	12,309,414	8,829,801	52,000	14,490,494	24,644,747	4,730,936	158,816,679
2018	90,927,539	262,811	11,705,565	8,829,801	52,000	2,868,335	49,585,448	1,096,470	165,327,969
2017	88,592,586	121,478	10,193,731	8,829,801	142,000	2,285,181	28,802,897	2,737,850	141,705,524

Table 3

**CITY OF BAYONNE
STATISTICAL SECTION
(UNAUDITED)**

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

	Year Ended December 31, 2021		Year Ended December 31, 2020	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized:				
Miscellaneous Revenue Anticipated	\$ 48,268,130	18.66%	\$ 46,143,827	18.73%
Receipts from Delinquent Taxes	746,282	0.29%	64,747	0.03%
Receipts from Current Taxes	196,966,217	76.16%	192,970,557	78.34%
Miscellaneous Revenue Not Anticipated	3,154,772	1.22%	2,755,150	1.12%
Other Credits to Income	9,500,954	3.67%	4,404,571	1.79%
	<u>258,636,355</u>	<u>100.00%</u>	<u>246,338,852</u>	<u>100.00%</u>
Expenditures:				
Budget Appropriations	151,859,218	59.25%	145,379,073	57.89%
School, County and SID Taxes	101,450,363	39.58%	98,816,629	39.35%
Other Charges	3,003,187	1.17%	6,918,123	2.75%
	<u>256,312,768</u>	<u>100.00%</u>	<u>251,113,825</u>	<u>100.00%</u>
Change in Operations, Net of Surplus Utilized	2,323,587		(4,774,973)	
Adjustments to Income: Deferred Charges of Budget of Succeeding Year	350,000		-	
Fund Balance, January 1	<u>17,401,345</u>		<u>22,176,318</u>	
Fund Balance, December 31	<u><u>\$ 20,074,932</u></u>		<u><u>\$ 17,401,345</u></u>	

Table 4

**CITY OF BAYONNE
STATISTICAL SECTION
(UNAUDITED)**

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, 2021	2.612	1.131	0.407	1.074
Dec. 31, 2020	2.566	1.127	0.383	1.056
Dec. 31, 2019	8.630	3.722	1.278	3.630
Dec. 31, 2018	8.458	3.624	1.238	3.596
Dec. 31, 2017	8.239	3.536	1.242	3.461

Municipal includes Library, County includes County Open Space and Local School includes school debt service in Municipal l

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, 2021	\$ 644,976	\$ 1,289,141	\$ 1,934,117	0.98%
Dec. 31, 2020	621,534	1,919,834	2,541,368	1.30%
Dec. 31, 2019	594,470	1,359,569	1,954,039	1.03%
Dec. 31, 2018	562,652	1,053,069	1,615,721	0.87%
Dec. 31, 2017	531,467	1,036,505	1,567,972	0.87%

Table 6

**CITY OF BAYONNE
STATISTICAL SECTION
(UNAUDITED)**

FIVE-YEAR HISTORY OF TAX LEVIES AND COLLECTIONS

<u>Year Ended</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Collection Percentage</u>
Dec. 31, 2021	\$ 197,597,526	\$ 196,966,217	99.68%
Dec. 31, 2020	195,381,384	192,970,557	98.77%
Dec. 31, 2019	189,969,273	188,960,159	99.47%
Dec. 31, 2018	184,995,867	183,858,102	99.38%
Dec. 31, 2017	179,812,440	178,865,576	99.47%

Table 7

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

<u>As of</u>	<u>Amount</u>
Dec. 31, 2021	\$ 6,473,400
Dec. 31, 2020	6,473,400
Dec. 31, 2019	6,473,400
Dec. 31, 2018	6,473,400
Dec. 31, 2017	6,482,400

**CITY OF BAYONNE
STATISTICAL SECTION
(UNAUDITED)**

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, 2021	\$ 7,540,289,306	\$ 7,986,301,119	94.42%
Dec. 31, 2020	7,578,100,324	7,463,961,760	101.53%
Dec. 31, 2019	2,182,496,041	6,486,311,451	33.65%
Dec. 31, 2018	2,166,468,254	5,874,368,937	36.88%
Dec. 31, 2017	2,161,065,064	5,410,778,828	39.94%

Source: County Abstract of Ratables

Table 9

**CITY OF BAYONNE
STATISTICAL SECTION
(UNAUDITED)**

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 Service to		Total Realized Budget Revenue	Ratio of Debt Service to	
	Principal	Interest		Current Fund Expenditures	Current Fund Revenue			
2021	\$ 12,342,982	\$ 11,781,996	\$ 24,124,978	\$ 152,961,752	15.77 %	\$ 153,161,180	15.75%	
2020	11,178,840	9,839,922	21,018,762	147,109,122	14.29 %	149,092,551	14.10%	
2019	10,640,364	12,768,329	23,408,693	154,362,495	15.16 %	154,085,743	15.19%	
2018	12,233,153	10,784,690	23,017,843	140,314,152	16.40 %	164,257,248	14.01%	
2017	12,738,315	10,825,520	23,563,835	137,640,448	17.12 %	139,043,622	16.95%	

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

(1) Budget after Modification less unexpended balances canceled.

**CITY OF BAYONNE
STATISTICAL SECTION
(UNAUDITED)**

COMPUTATION OF LEGAL DEBT MARGIN AND OVERLAPPING DEBT

	Dec. 31, 2021	Dec. 31, 2020
Three-Year Average Equalized Valuation	\$ 7,756,651,898	\$ 7,120,626,229
Debt Limit - 3 1/2% of Average Equalized Valuation	\$ 271,482,816	\$ 249,221,918
Net Debt	184,350,704	193,108,305
Remaining Borrowing Power / Debt Margin	\$ 87,132,112	\$ 56,113,613

	December 31, 2021		
	Gross Debt	Deductions	Net Debt
Local School Debt	\$ 36,698,056	\$ 36,698,056	\$ -
Self-Liquidating Purposes	1,590,000	-	1,590,000
Municipal Debt	196,020,704	13,260,000	182,760,704
Total	\$ 234,308,760	\$ 49,958,056	\$ 184,350,704

Overlapping Debt (Gross):		
County of Hudson (December 31, 2021)	\$	105,848,521
Hudson County Improvement Authority (December 31, 2021)		61,193,312
	\$	167,041,833

	December 31, 2020		
	Gross Debt	Deductions	Net Debt
Local School Debt	\$ 42,031,036	\$ 42,031,036	\$ -
Self-Liquidating Purposes	1,820,000	1,820,000	-
Municipal Debt	208,731,734	15,623,429	193,108,305
Total	\$ 252,582,770	\$ 59,474,465	\$ 193,108,305

Overlapping Debt (Gross):		
County of Hudson (December 31, 2020)	\$	104,144,103
Hudson County Improvement Authority (December 31, 2020)		65,047,864
	\$	169,191,967

Table 11

CITY OF BAYONNE
 STATISTICAL SECTION
 (UNAUDITED)

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
2021	71,686	\$ 7,756,651,898	\$ 234,308,760	\$ 3,269	3.02%	\$ 184,350,704	\$ 2,572	2.377%
2020	71,686	7,120,626,229	252,582,770	3,523	3.55%	193,108,305	2,694	2.712%
2019	63,024	6,436,775,677	239,942,825	3,807	3.73%	169,215,463	2,685	2.629%
2018	63,024	5,879,548,723	221,244,105	3,510	3.76%	147,658,786	2,343	2.511%
2017	63,024	5,522,860,925	240,578,559	3,817	4.36%	156,137,111	2,477	2.827%

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
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF CASH AND CASH EQUIVALENTS

	Ref.	Current Fund	Federal and State Grants Fund
Balance: December 31, 2020		\$ 33,077,493	\$ 1,384,502
Increased by Cash Receipts:			
Write off Stale Dated Checks	A-1	\$ 17,840	\$ -
Miscellaneous Revenues Not Anticipated	A-2b	3,016,715	-
Delinquent Taxes Receivable	A-2a	746,282	-
Current Taxes Receivable	A-2a	193,710,540	-
Petty Cash	A-6	4,500	-
State Aid Receivable	A-10	1,713,927	-
Revenue Accounts Receivable	A-11	23,117,351	-
Other Receivable	A-12	2,080,425	-
Interfunds	A-14, A-34	63,472,349	3,143,489
State Sr. Citizen and Veteran Deductions	A-18	212,000	-
Prepaid Taxes	A-19	849,929	-
Tax Overpayments	A-20	3,248,491	-
Prepaid Tax Cost Sale	A-22	1,265,334	-
Due to County for PILOT Fees	A-23	441,774	-
Reserve for Urban Enterprise Zone Funds	A-28	12,769	-
Reserves for Other	A-29	6,128	-
Emergency Notes Payable	A-30	448,000	-
		<u>294,364,354</u>	<u>3,143,489</u>
		327,441,847	4,527,991
Decreased by Cash Disbursements:			
Refund to Lienholder - Prior Year Taxes	A-1	\$ 1,384,055	\$ -
Refund of Prior Year Revenue	A-1	1,882	-
Bank Charges	A-1	255,252	-
Current Year Budget Appropriations	A-3	124,470,812	-
Petty Cash	A-6	4,500	-
Interfunds	A-14, A-34	54,883,602	1,119,494
Appropriation Reserves	A-15	3,533,500	-
Contracts Payable	A-17	85,139	-
Tax Overpayments	A-20	3,107,224	-
Prepaid Tax Cost Sale	A-22	1,245,297	-
School Taxes Payable	A-24	70,451,920	-
County Taxes Payable	A-25	30,748,579	-
Special Improvement District Taxes Payable	A-26	34,870	-
Reserve for Urban Enterprise Zone Funds	A-28	336,661	-
Reserves for Other	A-29	415,962	-
Emergency Notes Payable	A-30	598,312	-
Payroll Tax Deferral Payable	A-21	441,295	-
		<u>291,998,862</u>	<u>1,119,494</u>
Balance: December 31, 2021		<u>\$ 35,442,985</u>	<u>\$ 3,408,497</u>

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF CHANGE FUND

	<u>Ref.</u>	
Balance: December 31, 2021 and 2020	A	\$ <u>1,050</u>
		\$ 600
		<u>450</u>
		<u>\$ 1,050</u>

SCHEDULE OF PETTY CASH

	<u>Ref.</u>	
Balance: December 31, 2020	A	\$ -
Increased by Disbursements to Custodians:		
Business Administration		\$ 2,000
Public Safety		2,000
Municipal Library		<u>500</u>
	A-4	<u>4,500</u>
		4,500
Decreased by:		
Returns from Custodians	A-4	<u>4,500</u>
Balance: December 31, 2021	A	<u>\$ -</u>

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance: Dec. 31, 2020	2021 Levy	Collections				Transfer / Cancelled	Transfer to Tax Title Liens	Balance: Dec. 31, 2021
			By Cash Receipts - Prior Year	Net of Refunds Current Year	By Discounts (Dis)/Allowed				
2020									
& Prior	\$ 1,919,834	\$ -	\$ -	\$ 746,282	\$ -	\$ 1,112,463	\$ -	\$ 61,089	
2021	-	197,597,526	959,752	195,790,965	215,500	(620,185)	23,442	1,228,052	
	\$ 1,919,834	\$ 197,597,526	\$ 959,752	\$ 196,537,247	\$ 215,500	\$ 492,278	\$ 23,442	\$ 1,289,141	
	A		A-2a, A-19	A2a	A-2a, A-18		A-8	A	

Analysis of 2021 Property Tax Levy:

Tax Yield:								
General Purpose	\$ 197,241,899						\$ 70,451,920	
Added and Omitted Taxes	355,627						10,453,613	
	<u>\$ 197,597,526</u>						<u>\$ 80,905,533</u>	
County Tax								
County Taxes (Abstract)							30,621,554	
County Open Space Taxes							32,013	
Added and Omitted County Taxes							<u>55,333</u>	
								30,708,900
Special Improvement District Taxes								289,543
Library Tax								2,639,690
Local Tax for Municipal Purposes (Abstract)							82,679,271	
Local Tax for Municipal Levied (Added)							<u>300,294</u>	
Difference to Levy as Assessed							<u>74,295</u>	
								<u>83,053,860</u>
								<u>\$ 197,597,526</u>

CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF TAX TITLE LIENS

Balance: December 31, 2020	<u>Ref.</u> A	\$ 621,534
Increased by:		
Transfer from Taxes Receivable	A-7	<u>23,442</u>
Balance: December 31, 2021	A	<u>\$ 644,976</u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION

	<u>Ref.</u>	
Balance: December 31, 2021 and 2020	A	<u>\$ 6,473,400</u>

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF INTERGOVERNMENTAL RECEIVABLES - STATE AID

	<u>Ref.</u>	
Balance: December 31, 2020	A	\$ 2,655,514
Increased by:		
Accrued State Aid	A-2a	8,829,801
		11,485,315
Decreased by:		
Qualified Bonds Paid by State	A-3	\$ 7,216,623
Cash Receipts	A-4	1,713,927
Adjust Prepaid Debt Service	A-1	131,718
		9,062,268
Balance: December 31, 2021	A	\$ 2,423,047

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance: Dec. 31, 2020	Current Year Accruals	Collections	Other Credits	Balance: Dec. 31, 2021
Local Revenues:					
Licenses:					
Alcoholic Beverage	\$ -	\$ 71,974	\$ 71,974	\$ -	\$ -
Other	-	142,629	142,629	-	-
Fees and Permits	-	844,032	844,032	-	-
Fines and Costs - Municipal Court	52,214	1,216,909	1,120,630	-	148,493
Interest and Costs on Taxes	-	999,568	999,568	-	-
Interest on Investments and Deposits	-	40,554	39,717	837	-
Rents - City Owned Property	-	86,234	86,234	-	-
Payments in Lieu of Taxes:					
Bayonne Housing Authority	-	338,487	338,487	-	-
Senior Horizons of Bayonne	-	50,247	50,247	-	-
Southshore Village/Post Road Gardens	-	158,113	158,113	-	-
Costco/Bayonne Redev. UR Block 700 LLC	-	103,459	103,459	-	-
Barnabas Bayonne	-	296,400	296,400	-	-
Alexan City View	-	1,291,013	1,016,838	-	274,175
Platty Kill Manor	-	233,333	233,333	-	-
Bayonne CommunityAction	-	13,350	13,350	-	-
Bayonne Energy Cener Urban Renewal I	-	1,509,023	1,509,023	-	-
Bayonne Energy Cener Urban Renewal II	-	485,977	485,977	-	-
Prince Holdings	-	515,375	515,375	-	-
195 East 22nd Street Urban Renewal	-	137,698	137,698	-	-
Silklofts	-	204,329	204,329	-	-
Tagliareni Building	-	25,046	25,046	-	-
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	-	803,780	803,780	-	-
PSIP	-	109,568	109,568	-	-
North Street Porperties	-	123,625	123,625	-	-
230-250 Avenue E	-	96,711	96,711	-	-
Bayonne 19th Street Urban Renewal	-	326,049	326,049	-	-
662 Avenue C	-	87,865	87,865	-	-
160 East 22nd Street	-	104,500	104,500	-	-
190 West 54th - Woodmont	-	244,678	244,678	-	-
Hobart Housing	-	12,180	12,180	-	-
MHP 22 Avenue E	-	52,155	52,155	-	-
PSIP Avenue A	-	179,857	179,857	-	-
Bayonne Equities	-	55,535	-	-	55,535
957-965 Broadway	-	118,206	118,206	-	-
KRE Fleet	-	-	-	-	-
Five Year PILOTS	-	208,006	208,006	-	-
PILOT Administrative Fee	-	35,000	32,500	-	2,500
	52,214	13,203,536	12,774,210	837	480,703
Shared Service Agreements:					
Bayonne BOE Garbage Contract	-	271,750	271,750	-	-
Health Officer	-	43,333	43,333	-	-
	-	315,083	315,083	-	-

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance: Dec. 31, 2020	Current Year Accruals	Collections	Other Credits	Balance: Dec. 31, 2021
Other Special Items:					
Uniform Fire Safety Act	\$ -	\$ 133,004	\$ 133,004	\$ -	\$ -
PVSC Municipal Rebate Incentive Program	-	12,995	12,995	-	-
Debt Service Reimbursement - Bayonne BOE	-	233,445	233,445	-	-
Royal Caribbean Cruise Port	1,006,545	-	1,006,545	-	-
Debt Service Reimbursement - Empire Golf	-	350,000	350,000	-	-
Indirect Cost Reimbursement - UCC	-	223,077	223,077	-	-
Uniform Fire Code Inspection Fees	-	186,749	186,749	-	-
Parking Tax	-	-	-	-	-
Spectra Energy	-	1,572,653	1,572,653	-	-
Port Authority Land Payment	-	5,000,000	5,000,000	-	-
Reimb-City Wide Communications System	-	64,972	64,972	-	-
BMUA Expense Reimbursement	-	576,865	576,865	-	-
Cable TV Franchise Fee	-	667,753	667,753	-	-
Local Fiscal Recovery Funds Revenue Loss	-	3,793,897	-	3,793,897	-
	<u>1,006,545</u>	<u>12,815,410</u>	<u>10,028,058</u>	<u>3,793,897</u>	<u>-</u>
Total Miscellaneous Revenues	<u>\$ 1,058,759</u>	<u>\$ 26,334,029</u>	<u>\$ 23,117,351</u>	<u>\$ 3,794,734</u>	<u>\$ 480,703</u>
	A, A-1	A-2a	A-4	A-14	A, A-1

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF OTHER RECEIVABLES

	<u>Ref.</u>	
Balance: December 31, 2020	A, A-1	\$ 345,997
Increased by:		
Balance of Bulk Levy Purchase not Received	A-2a	<u>2,080,425</u>
		2,426,422
Decreased by:		
Cash Receipts	A-4	<u>2,080,425</u>
Balance: December 31, 2021	A, A-1	<u><u>\$ 345,997</u></u>

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF DEFERRED CHARGES

	Original Amount Deferred	Balance: Dec. 31, 2020	Increased by:		Decreased by:		Balance: Dec. 31, 2021
			Current Year Authorizations	Budget Appropriation Cash Payment	Funded by Non-Cash	Funded by Note Premium	
Payroll Tax Deferral	\$ 848,300	\$ 848,300	\$ -	\$ 441,295	\$ -	\$ -	\$ 407,005
<u>Emergency Appropriations</u>							
Tropical Storm Ida							
NJSA 40A:4-48							
December 15, 2021	350,000	-	350,000	-	-	-	350,000
<u>Special Emergency Appropriations</u>							
Tax Map							
NJSA 40A:4-53(a)							
2017	217,150	86,860	-	-	43,430	-	43,430
Revaluation of Properties							
NJSA 40A:4-53(b)							
2019	747,890	598,312	-	149,578	-	734	448,000
	<u>\$ 1,533,472</u>	<u>\$ 1,533,472</u>	<u>\$ 350,000</u>	<u>\$ 590,873</u>	<u>\$ 43,430</u>	<u>\$ 734</u>	<u>\$ 1,248,435</u>
	A		A-3		A-3, A-30	A-1, A-30	A
Payroll Tax Deferral		A-21		\$ 441,295			
Revaluation of Properties		A-30		<u>149,578</u>			
		A-3		<u>\$ 590,873</u>			

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF INTERFUNDS

	Total	Federal & State Grant Fund	Animal Control	Insurance Trust	HUD Grant Fund	Other Trust Fund	General Capital Fund	Parking Utility Capital Fund
Increased by:								
Grant Awards:								
Adopted Budget	\$ 11,035,450	\$ 11,035,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Added by NJSA 40A:4-87	2,068,850	2,068,850	-	-	-	-	-	-
Statutory Excess	6,286	-	6,286	-	-	-	-	-
ARP Revenue Loss	3,793,897	3,793,897	-	-	-	-	-	-
Interest Earned	837	-	-	-	-	-	837	-
Non-Budget Revenue Realized	115,217	-	-	567	-	19,341	95,309	-
Reimburse from Storm Reserves	122,715	-	-	-	-	122,715	-	-
Cash Disbursements	54,883,602	14,739,080	4,142	203,212	1,396,175	31,118,284	7,246,491	176,218
	72,026,854	31,637,277	10,428	203,779	1,396,175	31,260,340	7,342,637	176,218
Decreased by:								
Budget Appropriation:								
Capital Improvement Fund	150,000	-	-	-	-	-	150,000	-
Funding of Library Ordinance No. O-21-14	350,000	-	-	-	-	-	350,000	-
Grant Awards	13,104,300	13,104,300	-	-	-	-	-	-
Grant Matching	173,694	173,694	-	-	-	-	-	-
Reserve for Other	70,519	-	-	-	-	70,519	-	-
Premium on Sale of Bonds and Notes	-	-	-	-	-	-	-	-
Budget Charge for Additional Note Payment	-	-	-	-	-	-	-	-
Cash Receipts	63,472,349	23,584,632	20,598	203,212	1,396,175	30,905,015	7,098,043	264,674
	77,320,862	36,862,626	20,598	203,212	1,396,175	30,975,534	7,598,043	264,674
Net Change in Interfunds	(5,294,008)	(5,225,349)	(10,170)	567	-	284,806	(255,406)	(88,456)
Balance: December 31, 2020								
Interfunds Receivable	5,466,572	5,451,416	15,156	-	-	-	-	-
Interfunds Payable	113,580	-	-	-	-	113,580	-	-
Balance: December 31, 2021								
Interfunds Receivable	\$ 402,846	\$ 226,067	\$ 4,986	\$ 567	\$ -	\$ 171,226	\$ -	\$ -
Interfunds Payable	\$ 343,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,406	\$ 88,456

CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF APPROPRIATION RESERVES

	Balance: December 31, 2020		Balance After Transfers	Paid or Charged	Contracts Payable	Balance Lapsed	Transfers
	Reserved	Encumbered					
(A) Operations - within "CAPS"							
Office of the Mayor							
Salaries and Wages	\$ 28,731	\$ -	\$ 28,731	\$ -	\$ -	\$ 28,731	\$ -
Other Expenses	10,238	325	10,563	254	-	10,309	-
Planning Board							
Other Expenses	152	2,233	2,385	1,898	485	2	-
Board of Adjustment							
Other Expenses	186	1,717	1,903	1,637	258	8	-
Alcohol Beverage Control							
Other Expenses	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	1,496	6,190	7,776	1,065	6,190	521	90
Planning and Zoning							
Salaries and Wages	46,635	-	46,635	42,171	-	4,464	-
Other Expenses	34,883	-	34,883	743	-	34,140	-
City Clerk & Municipal Council							
Municipal Council							
Salaries and Wages	316	-	316	-	-	316	-
Other Expenses	3,985	-	3,985	-	-	3,985	-
City Clerk's Office							
Salaries and Wages	27,398	-	27,398	-	-	27,398	-
Other Expenses	4,999	1,848	6,847	4,022	2,200	625	-
Primary, General & Municipal Elections							
Salaries and Wages	12,577	-	12,577	-	-	12,577	-
Other Expenses	78,794	-	78,794	-	-	78,794	-
Audit Services	-	9,000	9,000	9,000	-	-	-
Department of Administration							
Business Administrator's Office							
Salaries and Wages	52,683	-	52,683	-	-	52,683	-
Other Expenses	188,036	55,435	105,471	32,185	34,865	38,421	(138,000)
Finance Office							
Salaries and Wages	96,263	-	96,263	(5,170)	-	101,433	-
Other Expenses	50,892	8,898	59,790	12,038	7,528	40,224	-
Tax Assessor							
Salaries and Wages	23,722	-	23,722	-	-	23,722	-
Collection of Taxes							
Salaries and Wages	22,428	-	22,428	-	-	22,428	-
Postage	17,930	948	18,878	-	947	17,931	-
Personnel Department							
Salaries and Wages	1,928	-	1,928	-	-	1,928	-
Bayonne Historical Commission							
Other Expenses	6,000	-	6,000	-	-	6,000	-
Law Department							
Salaries and Wages	111,313	-	111,313	102,941	-	8,372	-
Other Expenses	16,616	1,457	18,073	4,241	273	13,559	-
Contracts	100,328	5,630	105,958	74,603	6,454	24,901	-
Municipal Services Department							
Water/Sewer Division							
Salaries and Wages	15,112	-	53,112	52,110	-	1,002	38,000
Other Expenses	4,231	4,321	8,552	978	3,345	4,229	-
Board of Health							
Salaries and Wages	54,311	-	54,311	(72,172)	-	126,483	-
Other Expenses	53,370	55,938	109,308	46,062	11,000	52,246	-
Office on Aging							
Salaries and Wages	21,567	-	21,567	-	-	21,567	-
Other Expenses	53,138	8	53,146	96	-	53,050	-

CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF APPROPRIATION RESERVES

	Balance: December 31, 2020		Balance After Transfers	Paid or Charged	Contracts Payable	Balance Lapsed	Transfers
	Reserved	Encumbered					
(A) Operations - within "CAPS"							
Department of Public Safety							
Police - Uniform Personnel							
Salaries and Wages	\$ 38,968	\$ -	\$ 38,968	\$ 38,968	\$ -	\$ -	\$ -
Other Expenses	37,094	314,160	361,254	115,879	245,253	122	10,000
Police - Non-Uniform Personnel							
Salaries and Wages	67,109	-	67,109	(76,697)	-	143,806	-
Other Expenses	12,000	-	12,000	2,686	-	9,314	-
Fire - Non-Uniform Personnel							
Salaries and Wages	10,098	-	10,098	(6,642)	-	16,740	-
Fire - Uniform Personnel							
Salaries and Wages	388,190	-	388,190	388,190	-	-	-
Uniform Fire Safety Act	9,736	77,539	90,275	82,860	1,528	5,887	3,000
Prosecutor's Office							
Other Expenses	16,100	23,300	6,400	2,100	-	4,300	(33,000)
Department of Public Works							
Streets and Road Maintenance							
Salaries and Wages	8,587	-	8,587	(882)	-	9,469	-
Other Expenses	21,312	16,260	37,572	19,520	2,950	15,102	-
Snow Removal							
Other Expenses	99,006	-	99,006	-	-	99,006	-
Other Public Works							
Salaries and Wages	1,512	-	1,512	-	-	1,512	-
Other Expenses	40	-	1,040	741	-	299	1,000
Solid Waste Collection	25,274	407,900	433,174	332,504	77,850	22,820	-
Buildings and Grounds							
Salaries and Wages	37,049	-	37,049	-	-	37,049	-
Other Expenses	45,941	74,421	120,362	70,632	2,463	47,267	-
Vehicle Maintenance							
Salaries and Wages	10,732	-	10,732	-	-	10,732	-
Other Expenses	49,805	51,490	101,295	49,903	19,533	31,859	-
Swimming Pool							
Salaries and Wages	80	-	80	-	-	80	-
Other Expenses	17,805	-	17,805	-	-	17,805	-
Parks & Playgrounds - Recreational							
Salaries and Wages	22,809	-	22,809	-	-	22,809	-
Other Expenses	19,160	-	19,160	2,098	-	17,062	-
Maintenance of Parks							
Salaries and Wages	80,207	-	80,207	-	-	80,207	-
Other Expenses	48,345	7,014	55,359	9,638	3,643	42,078	-
Engineering Services	12,500	112,503	307,003	299,260	4,088	3,655	182,000
Municipal Court							
Salaries and Wages	130,584	-	130,584	2,095	-	128,489	-
Other Expenses	44,450	9,119	73,569	15,084	-	58,485	20,000
Public Defender							
Other Expenses	3,700	15,267	18,967	12,567	3,600	2,800	-
Insurance:							
General Liability / Workers Compensa	291,515	-	291,515	-	-	291,515	-
Employee Group Health	695,663	-	695,663	406,665	-	288,998	-
Group Insurance Waiver Costs	13,667	-	13,667	-	-	13,667	-
Unclassified:							
Utilities	175,833	10,146	185,979	161,223	-	24,756	-
Telephone Expenses	974	1,504	2,478	2,270	-	208	-
Gasoline, Oil, Grease, Etc.	122,372	-	122,372	52,317	-	70,055	-
Solid Waste Disposal (Tipping Fees)	14,270	995,837	927,017	894,560	21,276	11,181	(83,090)
Celebration of Public Holidays	25,837	-	25,837	-	-	25,837	-
Bulk Levy Sale Expenses	-	4,069	4,069	4,069	-	-	-
Reserve for Tax Appeals	244,500	-	244,500	244,500	-	-	-
Office Services	6,069	41,041	47,110	9,067	32,813	5,230	-
Reserve for Accumulated Absences	257,882	-	257,882	257,882	-	-	-

CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF APPROPRIATION RESERVES

	Balance: December 31, 2020		Balance After Transfers	Paid or Charged	Contracts Payable	Balance Lapsed	Transfers
	Reserved	Encumbered					
(B) Contingent	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ -
(E) Deferred Charges & Statutory Expenditures within "CAPS"							
<u>(1) DEFERRED CHARGES</u>							
Prior Year Bills	-	579	579	-	579	-	-
<u>(2) STATUTORY EXPENDITURES</u>							
Contribution to:							
Public Employees Retirement System	84,963	-	84,963	(93,735)	-	178,698	-
Social Security System (O.A.S.I.)	252,147	-	252,147	252,147	-	-	-
Consolidated Police & Fire Pension Ft	949	-	949	-	-	949	-
Unemployment Insurance	24,000	-	24,000	-	-	24,000	-
Pensioners & Widow(ers)	1,635	-	1,635	-	-	1,635	-
Defined Contribution Retirement Prog	11,687	-	11,687	-	-	11,687	-
(H-1) TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"							
(A) Operations - Excluded From "CAPS"							
<u>GENERAL GOVERNMENT</u>							
Free Public Library	916,932	13,292	930,224	920,502	9,722	-	-
<u>SHARED SERVICE AGREEMENTS</u>							
Bayonne BOE Garbage Removal Contract	-	34,000	34,000	34,000	-	-	-
<u>PUBLIC AND PRIVATE APPROPRIATIONS OFFSET BY REVENUES</u>							
Matching Funds for Grants	12,325	-	12,325	-	-	12,325	-
	<u>\$ 5,554,671</u>	<u>\$ 2,363,389</u>	<u>\$ 7,918,060</u>	<u>\$ 4,814,673</u>	<u>\$ 498,843</u>	<u>\$ 2,604,544</u>	<u>\$ -</u>
	A	A-16			A-17	A-1	
			A-4	\$ 3,533,500			
			A-27	751,299			
			A-29	529,874			
				<u>\$ 4,814,673</u>			

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Balance: December 31, 2020	<u>Ref.</u> A	\$ 2,363,389
Increased by:		
Current Year Appropriations	A-3	2,280,892
		4,644,281
Decreased by:		
Prior Year Budget Appropriation	A-15	2,363,389
		2,363,389
Balance: December 31, 2021	A	\$ 2,280,892
	Library	\$ 6,920
	City	2,273,972
		\$ 2,280,892

SCHEDULE OF CONTRACTS PAYABLE

Balance: December 31, 2020	<u>Ref.</u> A	\$ 232,578
Increased by:		
Appropriation Reserves	A-15	498,843
		731,421
Decreased by:		
Cash Disbursements	A-4	85,139
		85,139
Balance: December 31, 2021	A	\$ 646,282
	Library	\$ 9,722
	City	636,560
		\$ 646,282

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

**SCHEDULE OF DUE TO/FROM STATE OF NEW JERSEY -
FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

	<u>Ref.</u>		
State Share of Deductions:			
Set Forth in Tax Duplicate:			
Senior Citizens		\$ 35,000	
Veterans		179,500	
Allowed by Tax Collector		<u>5,750</u>	
			\$ 220,250
Disallowed by Tax Collector			<u>4,750</u>
State Share of Deductions	A2a, A-7		215,500
Add: Adjustment to Prior Year Balance	A-2b		<u>22,840</u>
			238,340
Less:			
Received in Cash from State of New Jersey	A-4		<u>212,000</u>
Net Change			26,340
Balance: December 31, 2020			
Due to State of New Jersey	A		<u>22,840</u>
Balance: December 31, 2021			
Due from State of New Jersey	A		<u><u>\$ 3,500</u></u>

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance: December 31, 2020	A	\$ 959,752
Increased by:		
Cash Receipts	A-4	<u>849,929</u>
		1,809,681
Decreased by:		
Applied to Current Year Taxes Receivable	A-2a, A-7	<u>959,752</u>
Balance: December 31, 2021	A	<u><u>\$ 849,929</u></u>

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance: December 31, 2020	A	\$ 3,580,365
Increased by:		
Cash Receipts - Current Year Tax, Net of Applied	A-4	<u>3,248,491</u>
		6,828,856
Decreased by:		
Cash Disbursements	A-4	<u>3,107,224</u>
Balance: December 31, 2021	A	<u><u>\$ 3,721,632</u></u>

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF PAYROLL TAX DEFERRAL PAYABLE

	<u>Ref.</u>	
Balance: December 31, 2020	A	\$ 848,300
Decreased by:		
Cash Disbursements	A-4, A-13	441,295
Balance: December 31, 2021	A	\$ 407,005

SCHEDULE OF PREPAID TAX SALE COST

	<u>Ref.</u>	
Balance: December 31, 2020	A	\$ 132,979
Increased by:		
Cash Receipts	A-4	1,265,334
		1,398,313
Decreased by:		
Cash Disbursements	A-4	1,245,297
Balance: December 31, 2021	A	\$ 153,016

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF COUNTY PILOT FEES PAYABLE

	<u>Ref.</u>	
Balance: December 31, 2020	A	\$ 888,133
Increased by:		
Cash Receipts	A-4	<u>441,774</u>
Balance: December 31, 2021	A	<u><u>\$ 1,329,907</u></u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	<u>Ref.</u>	
Balance: December 31, 2020		\$ -
Increased by 50% of Levy for School Year:		
July 1, 2020 to June 30, 2021		\$ 34,877,188
July 1, 2021 to June 30, 2021		<u>35,574,732</u>
	A-1, A-2a	<u>70,451,920</u>
		70,451,920
Decreased by:		
Cash Disbursements	A-4	<u>70,451,920</u>
Balance: December 31, 2021		<u><u>\$ -</u></u>

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF COUNTY TAXES PAYABLE

Balance: December 31, 2020	<u>Ref.</u> A	\$ 95,012
Increased by:		
General County Taxes as Certified		\$ 30,621,554
General County Taxes Added and Omitted		55,333
Open Space Tax as Certified		<u>32,013</u>
	A-1, A-2a	<u>30,708,900</u>
		<u>30,803,912</u>
Decreased by:		
Cash Disbursements	A-4	<u>30,748,579</u>
Balance: December 31, 2021	A	<u><u>\$ 55,333</u></u>

SCHEDULE OF SPECIAL IMPROVEMENT DISTRICT TAX PAYABLE

Balance: December 31, 2020	<u>Ref.</u> A	\$ 786,268
Increased by:		
2021 Levy	A-1, A-2a	<u>289,543</u>
		1,075,811
Decreased by:		
Cash Disbursements	A-4	<u>34,870</u>
Balance: December 31, 2021	A	<u><u>\$ 1,040,941</u></u>

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF DUE TO LIBRARY

Balance: December 31, 2020	<u>Ref.</u> A	\$ 234,895
Increased by:		
Charge to Appropriation Reserves	A-15	<u>751,299</u>
Balance: December 31, 2021	A	<u><u>\$ 986,194</u></u>

SCHEDULE OF RESERVE FOR URBAN ENTERPRIZE ZONE FUNDS

Balance: December 31, 2020	<u>Ref.</u> A	\$ 2,883,337
Increased by:		
Interest and Transfers	A-4	<u>12,769</u>
		2,896,106
Decreased by:		
Cash Disbursements	A-4	<u>336,661</u>
Balance: December 31, 2021	A	<u><u>\$ 2,559,445</u></u>

**CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE OF RESERVES FOR OTHER**

	Increased by:			Decreased by:			Balance Dec. 31, 2021
	Cash Receipts	Interfunds	Appropriation Reserves	Cash Disbursements	Cancelled	Interfund	
Reserve for:							
Due to SUEZ	\$ 3,924	\$ -	\$ -	\$ 3,924	\$ -	\$ -	\$ 3,548
Fire Prevention Penalties	20,383	-	-	-	-	20,383	-
Tax Appeals	402,404	-	244,500	3,949	-	-	642,955
Snow Removal	-	122,715	27,492	150,207	-	-	-
BLRA	838	74	-	-	912	-	-
Accumulated Absences	-	-	257,882	257,882	-	-	-
Unappropriated Reserves:							
Towing Liens	78,970	-	-	-	-	-	78,970
Ground Restoration	160	-	-	-	-	-	160
Fire Prevention Penalties	46,956	2,250	-	-	-	46,956	2,250
FM Global FP.	3,180	-	-	-	-	3,180	-
Interest Earned on Grant Accounts:							
Custom Border Control	6,713	42	-	-	-	-	6,755
Energy Efficiency Grant Interest	40	4	-	-	44	-	-
Dept. of Justice - Equitable Sharing Funds	8,205	210	-	-	-	-	8,415
	\$ 571,773	\$ 6,128	\$ 122,715	\$ 529,874	\$ 956	\$ 70,519	\$ 743,053
	A	A-4	A-14	A-15	A-2b	A-14	A

CITY OF BAYONNE
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

Ordinance Number	Original Issuance		Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2020	Notes Renewed	Notes Refunded	Decreased by:			Premium Applied	Balance Dec. 31, 2021
	Date	Amount							Budget Appropriation	Notes Refunded	Notes Renewed		
Revaluation of Properties													
O-19-01	10/18/2019	\$ 747,890	10/18/2019	09/18/2020	2.000%	\$ 598,312	\$ -	\$ 448,000	\$ 149,578	\$ 734	\$ -	\$ -	\$ -
<i>Issued via HCIA Series 2021C-1 Notes</i>													
O-19-01	10/18/2019	747,890	08/17/2021	08/16/2022	1.000%	-	448,000	-	-	-	-	-	448,000
<hr/>													
						\$ 598,312	\$ 448,000	\$ 448,000	\$ 149,578	\$ 734	\$ 448,000		
						A, A-4	Contra	Contra	A-13	A-13	A, A-4		
						Ref.							

CITY OF BAYONNE
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Program	Balance Dec. 31, 2020	Current Year Awards		Cash Receipts	Transfer from Unappropriated Reserve	Adjustments / Cancellation	Balance Dec. 31, 2021
		Original Budget	Added by NJSA 40A:4-87				
2017 Municipal Aid Program	\$ 116,081	\$ -	\$ -	-	\$ -	-	\$ 116,081
2018 Municipal Aid Program	294,664	-	-	205,224	-	-	89,440
Municipal Aid Program	210,190	-	-	-	-	-	210,190
Municipal Aid Program	213,177	-	-	-	-	-	213,177
2022 Municipal Aid Program	-	-	821,963	-	-	-	821,963
2018 Peer Grouping Grant	10,000	-	-	-	-	-	10,000
Peer Grouping Grant	10,000	-	-	-	-	-	10,000
Congregate Meals Program	643,085	-	-	380,985	-	-	262,100
Congregate Meals FFCRA Grant	171,288	-	-	-	-	-	171,288
2021 Congregate Meals Program	-	372,459	101,199	-	-	-	473,658
DOT Paving Grant - FY 2012	300,061	-	-	-	-	-	300,061
DOT Pedestrian Bridge Grant	550,000	-	-	-	-	-	550,000
Public Wastewater Facilities CSO Grant - Federal	76,921	-	-	-	-	-	76,921
Green Acres Grant	250,000	-	-	-	-	-	250,000
Green Acres Grant Program	1,000,000	-	-	-	-	-	1,000,000
Hudson County Open Space Trust Fund	184,529	-	-	-	-	-	184,529
Municipal Alliance Grant	54,720	-	-	37,232	-	-	17,488
Port Authority Grant	2,624,375	-	-	-	-	-	2,624,375
Port Security Grant - 2017	35,978	-	-	35,978	-	-	-
Safe Routes to Schools Program	300,000	-	-	-	-	-	300,000
Public Wastewater Facilities CSO Grant - State	56,794	-	-	-	-	-	56,794
Cooperative Marketing Grant	4,650	-	-	-	-	-	4,650
Custom Border Patrol	14,694	-	-	-	-	-	14,694
Custom Border Patrol	-	28,301	-	-	28,301	-	-
Recreation Opp. for Individuals with Disabilities	20,000	-	-	-	-	-	20,000
Body Armor Fund	-	29,618	-	-	29,618	-	-
State Local Housing Inspection Program	36,843	-	-	23,397	-	-	13,446
State Local Housing Inspection Program	-	8,381	-	-	8,381	-	-
UASI Grant CY2019	12,755	-	-	-	-	-	12,755
UASI Training Grant	-	38,128	-	-	38,128	-	-
Recycling Tonnage Grant	100,525	109,084	-	109,084	-	-	100,525
Clean Communities Grant	-	107,049	-	107,049	-	-	-
Pedestrian Safety Grant	2,005	-	-	-	-	-	2,005

CITY OF BAYONNE
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Program	Balance Dec. 31, 2020	Current Year Awards		Cash Receipts	Transfer from Unappropriated Reserve	Adjustments / Cancellation	Balance Dec. 31, 2021
		Original Budget	Added by NJSA 40A:4-87				
Drive Sober Holiday Crackdown	\$ 880	\$ -	\$ -	\$ -	\$ -	\$ -	880
Drive Sober & Get Pulled Over	-	6,000	-	6,000	-	-	-
Drunk Driving Enforcement Grant	-	4,911	-	-	4,912	(1)	-
Police Overtime DMV Grant	-	76,125	-	-	76,125	-	-
Local Freight Impact Fund (LFIF)	3,850,000	-	-	-	-	-	3,850,000
Local Freight Impact Fund (LFIF) - New Hook Rd	2,500,000	-	-	-	-	-	2,500,000
Port Security Grant	18,750	-	-	-	-	-	18,750
Safe Streets Grant	54,030	-	-	47,805	-	-	6,225
Multi Park Green Acres Grant	1,000,000	-	-	-	-	-	1,000,000
Green Acres Program - ONRR Grant	900,013	-	-	-	-	-	900,013
Hazardous Discharges Site Remediation Fund	52,566	-	-	-	-	-	52,566
FM Global Fire Prevention Grant	3,180	-	-	-	-	-	3,180
CARES Act Reimbursement - Hudson County	5,509,143	-	-	4,420,088	-	-	1,089,055
Families First Coronavirus Emergency Response	102,568	-	-	-	-	-	102,568
NJACCHO - COVID 19 Grant	32,770	-	-	17,041	-	-	15,729
Assistance to Firefighters Grant - 2019	74,091	-	-	-	-	-	74,091
Assistance to Firefighters Grant - 2020	41,888	-	-	-	-	-	41,888
Assistance to Firefighters Grant - 2021	-	-	213,077	-	-	-	213,077
FY2019 Pedestrian Safety Grant	2,005	-	-	2,005	-	-	-
FY2020 Pedestrian Safety Grant	30,000	-	-	25,990	-	-	4,010
FY2021 Pedestrian Safety Grant	-	19,965	-	-	19,965	-	-
Recreation Opp. for Individuals with Disabilities	20,000	-	-	-	-	-	20,000
Local Freight Impact Fund (LFIF)	1,400,000	-	-	-	-	-	1,400,000
Older American Act of 1965	63,319	-	66,720	113,959	13,503	-	85,248
Older American Act of 1965 - FFCRA grant	47,291	-	-	-	-	-	47,291
DOJ Coronavirus Emergency Response	51,793	-	-	-	-	-	51,793
FY2019 Bulletproof Vest Grant	31,291	-	-	17,751	-	-	13,540
FY2020 Bulletproof Vest Grant	26,880	-	-	-	-	-	26,880
FY2021 Bulletproof Vest Grant	-	-	18,288	16,033	-	-	2,255
Open Space Grant - Russell Golding Park	500,000	-	-	-	-	-	500,000
Open Space Grant - 28th Street Park	125,000	-	-	-	-	-	125,000
Open Space Grant - Russell Golding Park	250,000	-	-	-	-	-	250,000
Emergency Management Grant	-	10,000	-	-	10,000	-	-

CITY OF BAYONNE
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Program	Balance Dec. 31, 2020	Current Year Awards		Cash Receipts	Transfer from Unappropriated Reserve	Adjustments / Cancellation	Balance Dec. 31, 2021
		Original Budget	Added by NJSA 40A:4-87				
FY2021 Body Worn Camera Grant	\$ -	\$ -	\$ 452,436	\$ -	\$ -	\$ -	\$ 452,436
FY2021 Click it or Ticket it	-	-	9,000	9,000	-	-	-
Urban Area Security Initiative	-	-	21,073	21,073	-	-	-
Hazardous Materials Emergency Preparedness & Training	-	-	11,150	-	-	-	11,150
Target Corporation Grant	-	1,000	-	1,000	-	-	-
2022 Strengthening Local Public Health Capacity	-	-	291,042	-	-	-	291,042
2021 Strengthening Local Public Health Capacity	-	142,236	-	98,102	-	-	44,134
CAA Home Delivered Meals	-	-	62,902	-	-	-	62,902
Bayonne Housing Authority - Police grant	-	7,004	-	-	7,004	-	-
Local Fiscal Recovery Fund Grant (LFRF)	-	4,985,000	-	-	4,985,000	-	-
LFRF Small Business Grant	-	5,000,000	-	-	5,000,000	-	-
Police Reimbursement Salaries	-	7,518	-	-	7,517	1	-
A	\$ 23,980,793	\$ 11,035,450	\$ 2,068,850	\$ 5,694,796	\$ 10,228,454	\$ -	\$ 21,161,843
		A-34	A-34	A-34	A-33	A-32	A
Grants per Original Budget		\$ 11,035,450					
Grants Added by Chapter 159		<u>2,068,850</u>					
Total Grant Awards		<u>\$ 13,104,300</u>					

CITY OF BAYONNE
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

	Balance: December 31, 2020		Current Year Awards	Matching Funds	Paid or Charged	Transfers / Cancellation	Balance: December 31, 2021	
	Reserved	Encumbered					Encumbered	Reserved
FEDERAL GRANTS	\$	23,810	\$ -	\$ -	\$ -	-	\$ -	23,810
Law Enforcement Block Grant II		22,651	-	-	-	-	-	22,651
Law Enforcement Block Grant III		49,918	-	-	-	-	-	49,918
Law Enforcement Block Grant IX		5,500	-	-	5,500	-	-	-
Drive Sober Or Get Pulled Over		-	6,000	-	6,000	-	-	-
Drive Sober Or Get Pulled Over		-	9,000	-	9,000	-	-	-
Click it or Ticket it		-	-	-	445,092	-	-	-
COPS Technology		445,092	-	-	-	-	-	-
COPS - Secure Our Schools (SOS)		62,245	-	-	62,245	-	-	-
COPS - 2012		19,943	-	-	-	-	-	19,943
Justice Assistance Grant		15,481	-	-	-	-	-	15,481
Justice Assistance Grant - 2017		859	-	-	-	-	-	859
Bulletproof Vests		11,842	-	-	43,145	-	-	1,908
Bulletproof Vest Grant		26,880	-	-	-	-	-	26,880
Bulletproof Vest Grant		-	18,288	-	-	-	-	18,288
Assistance to Firefighters Grant - 2019		81,500	-	-	-	-	65,159	16,341
Assistance to Firefighters Grant - 2020		28,592	-	-	13,529	-	11,850	3,213
Assistance to Firefighters Grant - 2021		-	213,077	21,307	-	-	-	234,384
Federal Equitable Sharing:		-	-	-	-	-	-	-
Drug Enforcement Agency		42,119	-	-	-	-	-	42,119
Reimbursement Police Department		372,493	-	-	28,359	344,134	-	-
2017 Port Security Grant		17,696	-	-	30,064	-	-	-
Port Security Grant		18,750	-	-	9,296	-	-	9,454
Customs and Border Control		65,250	-	-	22,017	-	299	50,933
Customs and Border Control		-	28,301	-	-	-	-	28,301
Hazard Materials Emergency Preparedness & Training		-	11,150	-	11,150	-	-	-
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		128,719	-	-	84,298	-	4,357	43,037
Area Plan Grant - Older American Act - FFCRA		47,291	-	-	-	-	-	47,291
Area Plan Grant - Older American Act		-	149,391	33,972	54,339	-	-	129,024
Urban Area Security Initiative Grant		80,263	-	-	27,324	-	-	52,939
Urban Area Security Initiative Grant		-	59,201	-	-	-	-	59,201
Congregate Meals Program		276,071	-	-	-	-	-	276,071
Congregate Meals Program - 2020		1,437	-	-	37,931	-	-	1,437
Congregate Meals Program - 2021		-	473,658	118,415	510,354	-	37,932	43,787
Congregate Meals Program - FFCRA		171,288	-	-	-	-	-	171,288
Peer Grouping Grant - 2018		10,000	-	-	-	-	-	10,000

CITY OF BAYONNE
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

	Balance: December 31, 2020		Current Year Awards	Matching Funds	Paid or Charged	Transfers / Cancellation	Balance: December 31, 2021	
	Reserved	Encumbered					Encumbered	Reserved
FEDERAL GRANTS (continued)								
Peer Grouping Grant - 2020	\$ 10,000	\$ -	\$ -	\$ -	10,000	\$ -	\$ -	\$ -
CAA Home Delivered Meals	-	-	62,902	-	-	-	-	62,902
Emergency Management Assistance	-	-	10,000	-	10,000	-	-	-
Emergency Management Assistance	20,023	-	-	-	20,000	-	-	23
CARES Act Reimbursement	648,464	786,904	-	-	1,366,977	-	68,391	-
Families First Coronavirus Response Act	102,568	-	-	-	-	-	-	102,568
Local Fiscal Recovery Fund Grant (LFRF)	-	-	4,985,000	-	3,681,649	-	86,975	1,216,376
LFRF Small Business Grant Program	-	-	5,000,000	-	2,466,107	-	46,002	2,487,891
DOJ Coronavirus Emergency Response	3,777	-	-	-	3,777	-	-	-
Total Federal Grants	3,612,361	881,386	11,025,968	173,694	8,958,153	344,134	320,965	6,070,157
STATE GRANTS								
Balanced Housing - Bureau of Housing Inspection	26,354	-	-	-	26,354	-	-	-
State Local Housing Inspection Program	62,500	-	-	-	62,500	-	-	-
State Local Housing Inspection Program	-	-	8,381	-	-	-	-	8,381
Municipal Alliance Grant	573,673	-	-	-	573,673	-	-	-
Strengthening Local Public Health 2021	-	-	291,042	-	61,395	-	-	229,647
Strengthening Local Public Health 2021	-	-	142,236	-	107,484	-	-	34,752
Recreation Opp. for Individuals with Disabilities - 2020	14,874	-	-	-	-	-	-	14,874
Recreation Opp. for Individuals with Disabilities - 2020	24,000	-	-	-	24,000	-	-	-
Body Armor Replacement Fund	1,196	2,290	-	-	3,486	-	-	-
Body Armor Replacement Fund	11,383	-	-	-	9,111	-	-	2,272
Body Armor Replacement Fund	-	-	29,618	-	29,303	-	-	315
Pedestrian Safety Enforcement and Education	7,623	-	-	-	-	-	-	7,623
Pedestrian Safety Enforcement and Education - 2021	-	-	19,965	-	-	-	-	19,965
Pedestrian Safety Enforcement and Education - 2020	30,000	-	-	-	30,000	-	-	-
Drunk Driving Enforcement Fund	14,531	989	-	-	1,109	-	-	14,411
Drunk Driving Enforcement	-	-	4,911	-	4,911	-	-	-
Clean Communities Act	598	-	-	-	-	-	195	403
Clean Communities Act	80,204	-	-	-	80,204	-	-	-
Clean Communities Act - 2020	525	100,000	-	-	104,950	-	(4,425)	-
Clean Communities Act - 2021	-	-	107,049	-	107,049	-	-	-
Multi Park Green Acres Grant	201,856	459,874	-	-	478,233	-	-	183,497
Green Acres Grant Program	1,000,000	-	-	-	-	-	539,843	460,157
Green Acres Program - ONRR Grant	-	900,013	-	-	874,386	-	25,627	-
Department of Transportation:								
Safe Streets to Transit Program	24,094	-	-	-	(17,203)	-	-	41,297
Police OT - NJDMV	-	-	76,125	-	76,125	-	-	-

CITY OF BAYONNE
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

	Balance: December 31, 2020		Current Year Awards	Matching Funds	Paid or Charged	Transfers / Cancellation	Balance: December 31, 2021	
	Reserved	Encumbered					Encumbered	Reserved
STATE GRANTS (continued)	\$	-	\$	-	\$	-	\$	7,518
Police Reimbursement Salaries			7,518					
Municipal Aid Program 2016	31,702	-	-	-	-	-	-	31,702
Municipal Aid Program 2017	21,557	-	-	-	-	-	-	21,557
Municipal Aid Program 2018	97,841	-	-	-	-	-	-	97,841
Municipal Aid Program 2019	-	174,718	-	-	29,573	-	145,145	-
Municipal Aid Program 2021	-	-	821,963	-	-	-	-	821,963
Recycling Tonnage Grant	-	-	109,084	-	109,084	-	-	-
Local Freight Impact Fund (LFIF)	3,850,000	-	-	-	14,874	-	-	3,835,126
Local Freight Impact Fund (LFIF) - 2020	1,400,000	-	-	-	-	-	-	1,400,000
Local Freight Impact Fund (LFIF) - New Hook Road	2,500,000	-	-	-	-	-	-	2,500,000
Cooperative Marketing Grant	9,300	-	-	-	-	-	-	9,300
Hazardous Discharges Site Remediation Fund	52,566	-	-	-	-	-	-	52,566
Body Worn Camera Grant	-	-	452,436	-	-	-	451,647	789
Local and Private Grants:								
First Responders Children's Foundation	1,674	-	-	-	773	-	-	901
FM Global Fire Prevention Grant	3,180	-	-	-	-	-	-	3,180
NACCHO COVID-19 Grant	25,578	7,192	-	-	17,654	-	-	15,116
Port Authority Grant-Relocate Certain Parks	2,394,986	24,836	-	-	68,145	-	2,351,677	-
Bayview Feral Cat Colony Grant	2,160	-	-	-	-	-	-	2,160
Bayonne housing authority police grant	-	-	7,004	-	-	-	-	7,004
Target Corp Grant	-	-	1,000	-	-	-	-	1,000
Open Space Grant - 28th Street Park	125,000	-	-	-	-	-	-	125,000
Open Space Grant - Russell Golding Park	250,000	-	-	-	-	-	-	250,000
Open Space Trust Fund	3,926	-	-	-	-	-	-	3,926
Open Space Trust Fund - Museum	70,998	-	-	-	-	-	-	70,998
County of Hudson Open Space (Russell Park)	500,000	-	-	-	-	-	-	500,000
County of Hudson - Police Forfeiture Funds	1,052	97,600	-	-	-	97,600	-	1,052
Total State and Local Grants	13,414,931	1,767,512	2,078,332	-	2,877,173	97,600	3,509,709	10,776,293
	\$	\$	\$	\$	\$	\$	\$	\$
	17,027,292	2,648,898	13,104,300	173,694	11,835,326	441,734	3,830,674	16,846,450
	A	A	A-34	A-34	A-34	A-34	A	A

**CITY OF BAYONNE
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF UNAPPROPRIATED GRANT FUNDS

	Balance Dec. 31, 2020	Cash Receipts	Amount Budgeted	Due to Other Trust	Balance Dec. 31, 2021
<u>FEDERAL GRANTS</u>					
Department of Justice - Reimbursement					
Federal Forfeiture Funds	\$ 16,006	\$ -	\$ -	\$ 16,006	\$ -
Police Reimbursement Salaries	7,517	-	7,517	-	-
Custom Border Patrol	18,631	25,032	28,301	-	15,362
UASI Training - Fire Dept	38,128	-	38,128	-	-
2018 Pedestrian Safety Grant	19,965	-	19,965	-	-
Emergency Management Grant	10,000	10,000	10,000	-	10,000
American Rescue Plan (ARP)	-	17,827,943	9,985,000	4,219,301	3,623,642
<u>STATE GRANTS</u>					
State and Local Housing Inspection	8,381	-	8,381	-	-
Distracted Driving Crackdown	-	9,000	-	-	9,000
Labor Day DWI Crackdown	-	5,760	-	-	5,760
Drunk Driving Enforcement Fund	4,912	-	4,912	-	-
Police Overtime-Motor Vehicles	76,125	-	76,125	-	-
Body Armor Fund	17,517	12,101	29,618	-	-
<u>OTHER</u>					
Bayonne Housing Authority	7,004	-	7,004	-	-
Older American Act	13,503	-	13,503	-	-
	<u>\$ 237,689</u>	<u>\$ 17,889,836</u>	<u>\$ 10,228,454</u>	<u>\$ 4,235,307</u>	<u>\$ 3,663,764</u>
	A	A-34	A-31	A-34	A

**CITY OF BAYONNE
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF INTERFUND ACTIVITY

	Ref.	Total	Other Trust	Parking Utility Operating	Current Fund
Increased by:					
Appropriated Grants Received	A-31	\$ 5,694,796	\$ -	\$ -	\$ 5,694,796
Grant Awards	A-32	13,104,300	-	-	13,104,300
Appropriated Grants Matching	A-32	173,694	-	-	173,694
Unappropriated Grants Received	A-33	17,889,836	-	-	17,889,836
Cash Disbursements	A-4	1,119,494	697,829	421,665	-
		<u>37,982,120</u>	<u>697,829</u>	<u>421,665</u>	<u>36,862,626</u>
Decreased by:					
Grant Awards: Adopted Budget	A-31	11,035,450	-	-	11,035,450
Grant Awards: Added by NJSA 40A:4-87	A-31	2,068,850	-	-	2,068,850
Appropriated Grants Disbursed	A-32	11,835,326	-	-	11,835,326
Reclass to Other Funds	A-32	441,734	441,734	-	-
Reclass to Other Funds	A-33	4,235,307	16,006	425,404	3,793,897
Cash Receipts	A-4	3,143,489	239,735	-	2,903,754
		<u>32,760,156</u>	<u>697,475</u>	<u>425,404</u>	<u>31,637,277</u>
Net Change in Interfunds		5,221,964	354	(3,739)	5,225,349
Balance: December 31, 2020					
Interfunds Payable	A	<u>5,451,416</u>	-	-	5,451,416
Balance: December 31, 2021					
Interfunds Receivable	A	<u>\$ 354</u>	<u>\$ 354</u>	<u>\$ -</u>	<u>\$ -</u>
Interfunds Payable	A	<u>\$ 229,806</u>	<u>\$ -</u>	<u>\$ 3,739</u>	<u>\$ 226,067</u>

**CITY OF BAYONNE
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF CASH AND CASH EQUIVALENTS - ALL TRUST FUNDS

		Animal Control	Insurance	Tax Lien Redemption	Housing & Urban Development Grant Fund	Other	Payroll Agency
Cash Receipts:							
Interfunds							
Other Trust	B-13	\$ -	\$ -	\$ -	\$ -	\$ 31,816,113	\$ -
Surcharges Due to State	B-15	-	-	-	-	154,981	-
Dog Fees Due to State	B-2	1,361	-	-	-	-	-
Miscellaneous Reserves	B-16	-	-	-	-	11,606,824	-
Developers Escrow	B-18	-	-	-	-	292,574	-
Payroll Deductions	B-19	-	-	-	-	-	100,857,680
Tax Lien Redemption	B-8	-	-	12,128,151	-	-	-
Grants Receivable	B-9	-	-	-	1,070,011	-	-
Program Income	B-12	-	-	-	347,144	-	-
Animal Control Reserves	B-3	9,929	-	-	-	-	-
Insurance Reserves	B-6	-	845,885	-	-	-	-
		<u>11,290</u>	<u>845,885</u>	<u>12,128,151</u>	<u>1,417,155</u>	<u>43,870,492</u>	<u>100,857,680</u>
Cash Disbursements:							
Surcharges Due to State	B-15	-	-	-	-	145,675	-
Reserve for Expenditures	B-3	20	-	-	-	-	-
Miscellaneous Reserves	B-16	-	-	-	-	7,703,024	-
Payroll Deductions	B-19	-	-	-	-	-	100,953,138
Tax Lien Redemption	B-8	-	-	12,575,950	-	-	-
Interfunds:							
HUD Grants	B-11	-	-	-	1,396,175	-	-
Other Trust	B-13	-	-	-	-	31,144,750	-
Animal Control	B-4	20,598	-	-	-	-	-
Insurance	B-7	-	203,212	-	-	-	-
Developers Escrow	B-18	-	-	-	-	143,365	-
Insurance Expenditures	B-6	-	771,659	-	-	-	-
		<u>20,618</u>	<u>974,871</u>	<u>12,575,950</u>	<u>1,396,175</u>	<u>39,136,814</u>	<u>100,953,138</u>
Net Change in Cash		(9,328)	(128,986)	(447,799)	20,980	4,733,678	(95,458)
Balance: December 31, 2020	B	<u>42,585</u>	<u>886,609</u>	<u>497,410</u>	<u>9</u>	<u>14,779,043</u>	<u>1,071,900</u>
Balance: December 31, 2021	B	<u>\$ 33,257</u>	<u>\$ 757,623</u>	<u>\$ 49,611</u>	<u>\$ 20,989</u>	<u>\$ 19,512,721</u>	<u>\$ 976,442</u>

**CITY OF BAYONNE
TRUST FUNDS - ANIMAL CONTROL TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Balance: December 31, 2020	<u>Ref.</u> B		\$ 638
Increased by State License Fees Collected:			
Registration Fee		\$ 694	
Pilot Clinic Fund		139	
Population Control Fund		528	
	B-1	1,361	1,361
			1,999
Decreased by:			
Cash Disbursed by Current Fund	B-4	1,422	
Beginning Balance Adjustment	B-3	125	
		1,547	
Balance: December 31, 2021	B		\$ 452

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance: December 31, 2020	<u>Ref.</u> B		\$ 24,102
Increased by:			
Dog License Fees Collected	B-1	9,929	
Adjustment to State Fees	B-2	125	
		10,054	
			34,156
Decreased by:			
Statutory Excess Due to Current	B-4	6,286	
Cash Disbursed by Current Fund	B-4	2,720	
Cash Disbursements	B-1	20	
		9,026	
Balance: December 31, 2021	B		\$ 25,130

<u>License Fees Collected</u>	
<u>Year Ended,</u>	<u>Amount</u>
Dec. 31, 2020	\$ 11,010
Dec. 31, 2019	14,120
	\$ 25,130

**CITY OF BAYONNE
TRUST FUNDS - ANIMAL CONTROL TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF INTERFUNDS

	<u>Ref.</u>	<u>Due to Current Fund</u>
Balance: December 31, 2020	B	\$ 15,156
Increased by:		
State Dog Fees Paid by Current Fund	B-2	1,422
Expenditures Paid by Current Fund	B-3	2,720
Statutory Excess Due to Current	B-3	6,286
		<u>25,584</u>
Decreased by:		
Cash Disbursements	B-1	<u>20,598</u>
Balance: December 31, 2021 and 2020	B	<u>\$ 4,986</u>

SCHEDULE OF RESERVE FOR FERAL CAT DONATION

	<u>Ref.</u>	
Balance: December 31, 2021 and 2020	B	<u>\$ 2,689</u>

**CITY OF BAYONNE
TRUST FUNDS - INSURANCE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF RESERVE FOR INSURANCE EXPENDITURES

	Balance: Dec. 31, 2020	Cash Receipts	Decreased by:		Balance: Dec. 31, 2021
			Cash Disbursements	Expenditures Paid by Current	
Disability	\$ 175,108	\$ 15,145	\$ -	\$ -	\$ 190,253
Unemployment Insurance	417,053	5,000	-	1,527	420,526
Workers' Compensation	227,068	438,223	498,920	151,988	14,383
Auto and General Liability Insurance	67,380	387,517	272,739	50,264	131,894
	<u>\$ 886,609</u>	<u>\$ 845,885</u>	<u>\$ 771,659</u>	<u>\$ 203,779</u>	<u>\$ 757,056</u>
	B	B-1	B-1	B-7	B

Exhibit B-7

SCHEDULE OF INTERFUNDS

	<u>Ref.</u>	<u>Current Fund</u>
Balance: December 31, 2020	B	\$ -
Increased by:		
Insurance Charges	B-6	<u>203,779</u>
		203,779
Decreased by:		
Cash Disbursements	B-1	<u>203,212</u>
Balance: December 31, 2021	B	<u>\$ 567</u>

CITY OF BAYONNE
TRUST FUNDS - TAX LIEN REDEMPTION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF RESERVE FOR TAX LIEN REDEMPTION

	<u>Ref.</u>	
Balance: December 31, 2020	B	\$ 497,410
Increased by:		
Cash Receipts	B-1	<u>12,128,151</u>
		12,625,561
Decreased by:		
Cash Disbursements	B-1	<u>12,575,950</u>
Balance: December 31, 2021	B	<u><u>\$ 49,611</u></u>

**CITY OF BAYONNE
TRUST FUNDS - HOUSING AND URBAN DEVELOPMENT GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF GRANTS RECEIVABLE

	<u>Ref.</u>	<u>CDBG</u>
Balance: December 31, 2020	B	\$ 3,758,627
Increased by Grant Awards:		
Entitlement Funding	B-12	1,534,192
		<u>5,292,819</u>
Decreased by:		
Cash Receipts	B-1	1,070,011
		<u>1,070,011</u>
Balance: December 31, 2021	B	<u>\$ 4,222,808</u>

Exhibit B-10

SCHEDULE OF ENCUMBRANCES

Balance: December 31, 2020	<u>Ref.</u> B	\$ -
Increased by:		
Grant Reserves Encumbered	B-12	584,580
		<u>584,580</u>
Balance: December 31, 2021	B	<u>\$ 584,580</u>

**CITY OF BAYONNE
TRUST FUNDS - HOUSING AND URBAN DEVELOPMENT GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF INTERFUNDS PAYABLE

	<u>Ref.</u>	<u>Current Fund</u>
Balance: December 31, 2020	B	\$ -
Increased by:		
Reserve for Grant Expenditures	B-12	1,396,175
		<u>1,396,175</u>
Decreased by:		
Cash Disbursements	B-1	1,396,175
		<u>1,396,175</u>
Balance: December 31, 2021	B	<u><u>\$ -</u></u>

SCHEDULE OF RESERVE FOR GRANT EXPENDITURES

Balance: December 31, 2020	<u>Ref.</u> B		\$ 3,758,636
Increased by:			
Program Income - Returned Funds	B-1	\$ 347,144	
Grant Awards:			
Entitlement Funding	B-9	<u>1,534,192</u>	
			<u>1,881,336</u>
			5,639,972
Decreased by:			
Due to Current Fund	B-11	1,396,175	
Encumbrances	B-10	<u>584,580</u>	
			<u>1,980,755</u>
Balance: December 31, 2021	B		<u><u>\$ 3,659,217</u></u>
		Program Income	\$ 754,135
		Entitlement Funding	<u>2,905,082</u>
			<u><u>\$ 3,659,217</u></u>

**CITY OF BAYONNE
TRUST FUNDS - OTHER TRUST
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF INTERFUNDS

	<u>Ref.</u>	State and Federal		
		Total	Grants Fund	Current Fund
Decreased by:				
Cash Disbursements	B-1	\$ 31,144,750	\$ 239,735	\$ 30,905,015
Other Reserves	B-16	528,259	457,740	70,519
		<u>31,673,009</u>	<u>697,475</u>	<u>30,975,534</u>
Increased by:				
Cash Receipts	B-1	31,816,113	697,829	31,118,284
Adjust Reserves	B-16	19,341	-	19,341
Reimburse Current Fund Reserve	B-14	122,715	-	122,715
		<u>31,958,169</u>	<u>697,829</u>	<u>31,260,340</u>
Net Change in Interfunds		(285,160)	(354)	(284,806)
Balance: December 31, 2020				
Interfunds Receivable	B	<u>113,580</u>	-	<u>113,580</u>
Balance: December 31, 2021				
Interfunds Payable	B	<u>\$ 171,580</u>	<u>\$ 354</u>	<u>\$ 171,226</u>

**CITY OF BAYONNE
TRUST FUNDS - OTHER TRUST
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF STORM RECOVERY RESERVE

Balance: December 31, 2020	<u>Ref.</u> B		\$	171,224
Decreased by:				
Reimburse Current Fund	B-13	\$		122,715
Reclass to Other Reserves	B-16			48,509
				171,224
Balance: December 31, 2021	B		\$	-

SCHEDULE OF DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	Total	Marriage Licenses	DCA Fees
Balance: December 31, 2020	B	\$ -	\$ -	\$ -
Increased by:				
Beginning Balance Adjustment	B-16	181,115	10,767	170,348
Cash Receipts	B-1	154,981	9,903	145,078
		336,096	20,670	315,426
Decreased by:				
Cash Disbursements	B-1	145,675	9,200	136,475
		145,675	9,200	136,475
Balance: December 31, 2021	B	\$ 190,421	\$ 11,470	\$ 178,951

**CITY OF BAYONNE
TRUST - OTHER
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF RESERVES AND SPECIAL DEPOSITS

Description	Balance: December 31, 2020		Increased	Decreased	Balance: December 31, 2021	
	Reserved	Encumbered			Encumbered	Reserved
Cash Performance Bonds	\$ 3,681,260	\$ -	\$ 1,361,807	\$ 350,785	\$ 3,884	\$ 4,688,398
Recycling Program	135,441	1,850	296,439	11,375	2,154	420,201
Off Duty Police	484,601	-	2,210,709	1,860,298	-	835,012
Building Fines	1,030,814	1,139	135,802	23,101	174	1,144,480
Tree Replacement program	112,072	-	14,201	11,418	-	114,855
Contribution-Older American	211,610	-	39,390	3,380	-	247,620
Law Enforcement Trust Fund	11,052	-	34,760	-	23,396	22,416
Planning and Zoning Board Escrow	1,135,145	-	949,485	581,472	452	1,502,706
UCC Dedication by Rider	5,430,872	40,516	2,401,100	1,974,622	51,816	5,846,050
Affordable Housing Trust	522,684	45,903	1,008,932	11,550	34,843	1,531,126
Fire Prevention Dedication Penalty	37,070	-	9,642	-	-	46,712
Reserve for POAA	343,495	-	10,633	21,063	-	333,065
Library State Aid	55,691	-	-	-	-	55,691
FSA Flex	19,500	-	80,023	79,319	-	20,204
Library Fines and Fees	34,204	-	3,486	-	-	37,690
Chapter 25th Street/Sidewalk	165,000	-	25,500	24,000	-	166,500
Police Donation Fund	100	-	-	-	-	100
Elevator Inspection Fee	362,735	-	69,317	354	-	431,698
Employee Health Deduction	-	-	2,525,465	2,525,465	-	-
Police Auction Funds	23,390	6,000	131,757	72,611	998	87,538
Fire Auction Funds	-	-	4,069	-	-	4,069
Relocation Grant	5,000	-	230	-	-	5,230
Fire Prevention Penalties	70,519	-	-	-	-	70,519
Open 4 Bus Productions	-	80	30	-	-	110
Recreation	242,000	5,378	209,652	114,785	1,972	340,273
Gifts and Bequests	10,955	-	500	5,889	-	5,566
Earth Day	2,295	-	-	-	-	2,295
Food Truck Festival	7,834	-	-	-	-	7,834
St. Patrick's Day Festival	2,000	-	-	-	-	2,000
Defibulator Fund	3,235	-	4,355	-	-	7,590
Library Donations	2,700	-	-	-	-	2,700
Summer Sounds	24	-	-	-	-	24
Women's Day	725	-	-	-	-	725
Chili Cookoff Event	750	-	-	-	-	750
Dennis Collins Park	936	-	-	-	-	936
Salsa Night	1,000	-	-	-	-	1,000
Inauguration Donations	250	-	-	-	-	250
Car Show Event	500	-	-	-	-	500
Fire Victims	600	-	-	-	-	600
Trash Cans	1,032	-	-	-	-	1,032
Fire Prevention Donations	7,000	-	250	6,831	-	419
Bayonne Explorers	3,892	-	-	2,181	-	1,711
Fire Department Donations	-	-	27,324	27,324	-	-
Police Donations	73,719	-	-	73,719	-	-
Food Bank BEOF Donation	9,035	-	1,000	-	-	10,035
Bench Donation	1,147	-	3,324	1,147	-	3,324
Marine Toys for Tots	-	-	935	935	-	-
9/11 Memorial Donation	-	-	23,000	-	-	23,000
L.E.A.D. Project	-	-	1,995	258	-	1,737
Tunnels 2 Towers	-	-	3,544	-	-	3,544
Poster Contest	10,407	-	8,230	3,575	-	15,062
Shoprite	31,613	-	44,063	19,095	-	56,581
Police Forfeiture Funds	-	-	344,134	14,821	-	329,313
Fitzpatrick Park Bells	-	-	150,000	-	-	150,000
Storm Recovery Fund	-	-	48,509	-	-	48,509
Other Payroll	-	85,038	-	82,107	2,931	-
Special Project	249,591	-	-	249,591	-	-
	<u>\$ 14,535,495</u>	<u>\$ 185,904</u>	<u>\$ 12,183,592</u>	<u>\$ 8,153,071</u>	<u>\$ 122,620</u>	<u>\$ 18,629,300</u>
	B	B-17			B-17	B
		B-14	\$ 48,509	\$ -		
		B-13	528,259	19,341		
		B-15	-	181,115		
		B-18	-	249,591		
		B-1	11,606,824	7,703,024		
			<u>\$ 12,183,592</u>	<u>\$ 8,153,071</u>		

**CITY OF BAYONNE
TRUST FUNDS - OTHER TRUST
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF ENCUMBRANCES

Balance: December 31, 2020	<u>Ref.</u> B	\$	185,904
Increased by Charges to Reserve for:			
Reserves and Special Deposits	B-16	\$	122,620
Developers Escrow	B-18		1,343
			<u>123,963</u>
			309,867
Decreased by:			
Reserves and Special Deposits	B-16		<u>185,904</u>
Balance: December 31, 2021	B	\$	<u><u>123,963</u></u>

SCHEDULE OF RESERVE FOR REDEVELOPMENT ESCROW

Balance: December 31, 2020	<u>Ref.</u> B	\$	-
Increased by Charges to Reserve for:			
Reserves and Special Deposits	B-16	\$	249,591
Cash Receipts	B-1		292,574
			<u>542,165</u>
			542,165
Decreased by:			
Encumbered	B-17		1,343
Cash Disbursements	B-1		143,365
			<u>144,708</u>
Balance: December 31, 2021	B	\$	<u><u>397,457</u></u>

**CITY OF BAYONNE
TRUST FUND - PAYROLL CLEARING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

	<u>Ref.</u>	
Balance: December 31, 2020	B	\$ 1,071,900
Increased by:		
Payroll Agency		\$ 28,038,479
Reserve for Official I		14,721,187
Reserve for Official II		8,911,428
Reserve for Police and Fire Payroll		<u>49,186,586</u>
	B-1	<u>100,857,680</u>
		<u>101,929,580</u>
Decreased by:		
Payroll Agency		28,133,937
Reserve for Official I		14,721,187
Reserve for Official II		8,911,428
Reserve for Police and Fire Payroll		<u>49,186,586</u>
	B-1	<u>100,953,138</u>
Encumbrances	B	<u>730</u>
		<u>100,953,868</u>
Balance: December 31, 2021	B	<u><u>\$ 975,712</u></u>

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance: December 31, 2020			
Unrestricted		\$ 4,367,037	
Restricted		<u>206,632</u>	
	C; C-3		\$ 4,573,669
Cash Receipts:			
Bond Anticipation Notes Issued	C-3; C-17	9,875,000	
NJIB Loan Receivable	C-8	497,447	
Interest on Deposits	C-9	837	
Interfund Transfers	C-9	1,180,457	
Reserve for Capital Improvements	C-19	1,400,000	
Reserve for Retirement of Debt	C-20	223,961	
Grants Receivable	C-6	<u>606,617</u>	
	C-3		<u>13,784,319</u>
			18,357,988
Cash Disbursements:			
Bond Anticipation Matured			
Repayment of Notes Refunded	C-17	9,875,000	
Repayment of Notes not Renewed	C-17	1,000,000	
Interfund Transfers	C-9	<u>7,098,043</u>	
	C-3		<u>17,973,043</u>
Balance: December 31, 2021			
Unrestricted		178,313	
Restricted		<u>206,632</u>	
	C; C-3		<u>\$ 384,945</u>

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

ANALYSIS OF CASH AND INVESTMENTS

	Balance Dec. 31, 2020	Cash Receipts	Disbursements		Transfers		Balance, Dec. 31, 2021
			Improvement Authorizations	Cash Disbursements	From	To	
Capital Improvement Fund	\$ 173,929	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 423,929
Due to (from) Current Fund	-	1,181,294	(5,933,519)	7,098,043	500,000	227,824	(255,406)
Grants Receivable	(2,561,972)	606,617	-	-	1,750,000	-	(3,705,355)
Contracts Payable	2,867,073	-	-	-	2,867,073	4,634,654	4,634,654
Reserve for Capital Improvements	1,155,000	1,400,000	-	-	1,130,000	-	1,425,000
Developers Contribution	(333,000)	-	-	-	-	-	(333,000)
Reserve for Debt Service	1,913,429	223,961	-	-	1,895	-	2,135,495
Reserve for Preliminary Expense	135,682	-	-	-	132,515	-	3,167
Reserve for Grant Receivable	661,713	-	-	-	606,617	-	55,096
Fund Balance	625,995	-	-	-	-	-	625,995
Improvement Authorizations:							
O-99-31 Demolition of Unsafe Buildings	(133,936)	-	-	-	-	-	(133,936)
O-03-24 Various Capital Improvements	52,251	-	-	-	36,215	36,215	52,251
O-13-13 Refunding of Tax Appeals	-	-	-	-	50,408	50,408	-
O-14-01 Public Facilities-Sandy Damages	-	-	-	-	49,579	49,579	-
O-15-16 Various Capital Improvements	89,974	-	-	-	86,873	86,873	89,974
O-15-29 Refunding of Tax Appeals	28,429	-	-	-	211,795	211,795	28,429
O-16-22 Improvement of 16th Street Park	8,883	-	8,556	-	-	-	327
O-16-62 Generators Installation	24,963	-	-	-	-	-	24,963
O-16-66 Acquisition of Land	216,262	4,318,000	130,334	4,318,000	25,357	75,507	136,078
O-17-21 Various Capital Improvements	380,085	1,547,000	-	1,547,000	380,085	-	-
O-17-28 Roadway Improvements LeFante	-	535,000	-	535,000	-	-	-
O-18-14 Improvements to 12th Street	-	-	-	-	31,991	31,991	-
O-18-51 Various Capital Improvements	823,456	3,475,000	193,262	3,475,000	8,655	45,327	666,866
O-18-52 Aqueduct Improvements	1,000,000	-	-	1,000,000	-	-	-
O-18-53 Waterfront Walkway	787	-	7,739	-	11,635	19,374	787
O-19-56 Various Capital Improvements	(3,131,525)	-	3,110,424	-	475,732	2,260,004	(4,457,677)
O-20-19 Various Capital Improvements	476,191	497,447	626,210	-	2,048,951	-	(1,701,523)
O-20-48 Acquisition of Marist High School	100,000	-	-	-	100,000	-	-
O-20-49 Improvements to Fitzpatrick Park	-	-	1,856,994	-	227,332	606,617	(1,477,709)
O-21-14 Bayonne Public Library Improvements	-	-	-	-	-	1,350,000	1,350,000
O-21-39 Police Department Equipment & Vehicles	-	-	-	-	240,131	286,671	46,540
O-21-41 Improvements to 16th Street Park	-	-	-	-	-	750,000	750,000
	<u>\$ 4,573,669</u>	<u>\$ 13,784,319</u>	<u>\$ -</u>	<u>\$ 17,973,043</u>	<u>\$ 10,972,839</u>	<u>\$ 10,972,839</u>	<u>\$ 384,945</u>
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, 2021**

ANALYSIS OF CASH AND CASH EQUIVALENTS ENDING BALANCE

	Balance, Dec. 31, 2021	Balance Sheet Accounts	Improvement Authorizations		Deferred Charges To Future Taxation Unfunded	Bond Anticipation Notes
			Funded	Unfunded		
Capital Improvement Fund	\$ 423,929	\$ 423,929	\$ -	\$ -	\$ -	\$ -
Due to (from) Current Fund	(255,406)	(255,406)	-	-	-	-
Grants Receivable	(3,705,355)	(3,705,355)	-	-	-	-
Contracts Payable	4,634,654	4,634,654	-	-	-	-
Reserve for Capital Improvements	1,425,000	1,425,000	-	-	-	-
Developers Contribution	(333,000)	(333,000)	-	-	-	-
Reserve for Debt Service	2,135,495	2,135,495	-	-	-	-
Reserve for Preliminary Expense	3,167	3,167	-	-	-	-
Reserve for Grant Receivable	55,096	55,096	-	-	-	-
Fund Balance	625,995	625,995	-	-	-	-
Improvement Authorizations:						
O-99-31 Demolition of Unsafe Buildings	(133,936)	-	-	-	(133,936)	-
O-03-24 Various Capital Improvements	52,251	-	52,251	-	-	-
O-15-16 Various Capital Improvements	89,974	-	89,974	-	-	-
O-15-29 Refunding of Tax Appeals	28,429	-	28,429	-	-	-
O-16-22 Improvement of 16th Street Park	327	-	327	-	-	-
O-16-62 Generators Installation	24,963	-	24,963	-	-	-
O-16-66 Acquisition of Land	136,078	-	-	136,078	(4,318,000)	4,318,000
O-17-21 Various Capital Improvements	-	-	-	-	(1,274,174)	1,274,174
O-17-28 Roadway Improvements LeFante	-	-	-	-	(535,000)	535,000
O-18-51 Various Capital Improvements	666,866	-	-	666,866	(3,475,000)	3,475,000
O-18-52 Aqueduct Improvements	-	-	-	11,700,000	(11,700,000)	-
O-18-53 Waterfront Walkway	787	-	787	-	-	-
O-19-56 Various Capital Improvements	(4,457,677)	-	-	2,923,271	(7,380,948)	-
O-20-19 Various Capital Improvements	(1,701,523)	-	-	7,324,839	(9,026,362)	-
O-20-49 Improvements to Fitzpatrick Park	(1,477,709)	-	-	2,460	(1,480,169)	-
O-21-46 Amend Ordinance No. O-20-49	-	-	-	913,214	(913,214)	-
O-21-14 Bayonne Public Library Improvements	1,350,000	-	1,350,000	650,000	(650,000)	-
O-21-39 Police Department Equipment & Vehicles	46,540	-	-	46,540	(272,826)	272,826
O-21-41 Improvements to 16th Street Park	750,000	-	750,000	750,000	(750,000)	-
	<u>\$ 384,945</u>	<u>\$ 5,009,575</u>	<u>\$ 2,296,731</u>	<u>\$ 25,113,268</u>	<u>\$ (41,909,629)</u>	<u>\$ 9,875,000</u>
<u>Ref</u>	C; C-2; C-3		C-9	C-9	C-5	C-14

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>Ref.</u>		
Balance: December 31, 2020	C		\$ 189,633,128
Increased by:			
Funded by Infrastructure Loan Receipts	C-2, C-5, C-24	\$ 497,447	
School Bonds Issued	C-5, C-13, C-24	12,700,000	
General Serial Bonds Issued	C-5, C-11, C-24	<u>66,375,000</u>	
			<u>79,572,447</u>
			269,205,575
Decreased by:			
School Bonds Refunded	C-13	10,970,000	
General Serial Bonds Refunded	C-11	54,655,000	
Payments for:			
General Serial Bonds Payable	C-11	5,110,000	
School Serial Bonds	C-13	7,062,980	
Lease Payable	C-16	41,799	
Green Trust Loans Payable	C-14	<u>15,180</u>	
			<u>77,854,959</u>
Balance: December 31, 2021	C		<u><u>\$ 191,350,616</u></u>

<u>Analysis of Ending Balance</u>	
<u>Funded Portion of</u>	
Infrastructure Loan	\$ 497,447
General Serial Bonds Payable	153,038,899
School Serial Bonds Payable	36,698,056
Credit Union Leases Payable	44,038
Green Trust Loans Payable	72,176
Capital Appreciation Bonds	<u>1,000,000</u>
	<u><u>\$ 191,350,616</u></u>

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Ordinance Number & Improvement Description	Balance Dec. 31, 2021	Analysis of Ending Balance		Non-Financed Improvement Authorizations	
		Bond Anticipation Notes Payable	Bonds & Notes Authorized But Not Issued	Expended	Unexpended
City Improvements:					
O-99-31: Demolition of Unsafe Buildings	\$ 133,936	\$ -	\$ 133,936	\$ 133,936	\$ -
O-16-66: Various Capital Improvements	4,318,000	4,318,000	-	-	-
O-17-21: Various Capital Improvements	1,274,174	1,274,174	-	-	-
O-21-39: Amending Ord. O-17-21	272,826	272,826	-	-	-
O-17-28: Various Capital Improvements	535,000	535,000	-	-	-
O-18-51: Various Capital Improvements	3,475,000	3,475,000	-	-	-
O-18-52: Aqueduct Improvements	11,700,000	-	11,700,000	-	11,700,000
O-19-56: Various Capital Improvements	7,380,948	-	7,380,948	4,457,677	2,923,271
O-20-19: Various Capital Improvements	9,026,362	-	9,026,362	1,701,523	7,324,839
O-20-49: Improvements to Fitzpatrick Park	1,480,169	-	1,480,169	1,477,709	2,460
O-21-46: Supplement to O-20-49	913,214	-	913,214	-	913,214
O-21-14: Library Improvements	650,000	-	650,000	-	650,000
O-21-41: 16th Street Park Improvements	750,000	-	750,000	-	750,000
	<u>\$ 41,909,629</u>	<u>\$ 9,875,000</u>	<u>\$ 32,034,629</u>	<u>\$ 7,770,845</u>	<u>\$ 24,263,784</u>
Ref	C; C-3a	C-17	C-24		

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2020	Awarded	Cash Receipts	Balance Dec. 31, 2021
New Jersey Department of Transportation				
2005 (and prior) Awards	\$ 329,347	\$ -	\$ -	\$ 329,347
O-13-26: Paving of Various Streets	46,992	-	-	46,992
Green Acres Trust				
2006 (and prior) Awards	767,000	-	-	767,000
O-15-23: Veterans Stadium	500,000	-	-	500,000
O-21-41: 16th Street Park Improvements	-	750,000	-	750,000
Community Development Block Grant				
2001 (and prior) Awards	22,000	-	-	22,000
O-16-14: Clark Park	90,000	-	-	90,000
State of New Jersey Library Construction Bond Act Grant Program				
O-21-14: Various Library Improvements	-	1,000,000	-	1,000,000
FEMA Grant				
O-16-22: 16th Street Park	56,689	-	-	56,689
O-16-62: Generators	88,231	-	-	88,231
Hudson County Open Space Grant				
O-20-49: Improvements to Fitzpatrick Park	661,713	-	606,617	55,096
	<u>\$ 2,561,972</u>	<u>\$ 1,750,000</u>	<u>\$ 606,617</u>	<u>\$ 3,705,355</u>
	C	C-10	C-2, C-3	C

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF DEVELOPERS CONTRIBUTION FUND RECEIVABLE

	<u>Ref.</u>	
Balance: December 31, 2021 and 2020	C	\$ <u>333,000</u>

SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK LOANS RECEIVABLE

	<u>Ref.</u>	
Balance: December 31, 2020	C	\$ -
Increased by:		
Loan Approved	C-15	<u>4,539,769</u> 4,539,769
Decreased by:		
Cash Receipts	C-2, C-4, C-5	<u>497,447</u>
Balance: December 31, 2021	C	\$ <u>4,042,322</u>

<u>Analysis of Ending Balance</u>	
Loans for Ordinance O-20-19	\$ <u>4,042,322</u>
	\$ <u>4,042,322</u>

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF INTERFUNDS

	<u>Ref</u>	<u>Current Fund</u>
Increased by:		
Budget Appropriation -		
Capital Improvement Fund	C-21	\$ 150,000
Funding of Library Ordinance No. O-21-14	C-10	350,000
Cash Disbursements	C-2	<u>7,098,043</u>
		7,598,043
Decreased by:		
Current Fund Portion of Note Premium - HCIA 2021C		
To Current Fund Balance		\$ 1,161
Apply to Special Emergency Note Principal		<u>734</u>
	C-20	1,895
Interest Earned	C-2	837
Debt Service Portion of Debt Sales	C-2	1,180,457
Preliminary Costs Paid by Current Fund	C-22	132,515
Improvement Authorizations Paid by Current Fund		
Prior Year Adjusted	C-10	93,414
Current Year	C-10	<u>5,933,519</u>
		<u>7,342,637</u>
Net Change in Interfunds		255,406
Balance: December 31, 2020		<u>-</u>
Balance: December 31, 2021		
Interfunds Receivable	C	<u><u>\$ 255,406</u></u>

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Date	Ordinance Amount	Balance: December 31, 2020		Current Year Authorizations	Adjusted/Cancelled	Refunding Bonds	Paid or Charged	Balance: December 31, 2021		
		Funded	Unfunded					Encumbered	Funded	Unfunded
O-03-24: Various Capital Improvements	2,717,000	\$ 52,251	\$ -	\$ -	\$ -	-	-	\$ 36,215	\$ 52,251	\$ -
O-13-13: Refunding Tax Appeals	2,250,000	-	-	-	-	-	-	50,408	-	-
O-14-01: Various Public Facilities-Sandy Damages	1,677,531	-	-	-	-	-	-	49,579	-	-
O-15-16: Various Capital Improvements	3,975,000	89,974	-	-	-	-	-	86,873	89,974	-
O-15-29: Refunding Tax Appeals	4,230,000	28,429	-	-	-	-	-	211,795	28,429	-
O-16-22: Improvement of 16th Street Park	600,000	8,883	-	-	-	-	8,556	-	327	-
O-16-62: Generators Installation	207,854	24,963	-	-	-	-	-	-	24,963	-
O-16-66: Acquisition of Land	4,730,000	-	216,262	-	-	-	-	25,357	-	136,078
O-17-21: Various Capital Improvements	1,760,000	-	380,085	(286,671)	93,414	-	-	-	-	-
O-18-14: 12th Street and Ave C Improvements	260,000	-	-	-	-	-	-	31,991	-	-
O-18-51: Various Capital Improvements	3,650,000	-	823,456	-	-	-	193,262	8,655	-	666,866
O-18-52: Aqueduct Improvements	11,700,000	-	11,700,000	-	-	-	-	-	-	11,700,000
O-18-53: Waterfront Walkway	425,000	787	-	-	-	-	7,739	11,635	787	-
O-19-56: Various Capital Improvements	7,750,000	-	4,249,423	-	-	-	3,110,424	475,732	-	2,923,271
O-20-19: Various Capital Improvements	10,000,000	476,191	9,523,809	-	-	-	626,210	2,048,951	-	7,324,839
O-20-26: Refunding Bond	20,345,000	-	20,345,000	-	8,625,000	11,720,000	-	-	-	-
O-20-48: Acquisition of Marist High School	100,000	100,000	-	-	100,000	-	-	-	-	-
O-20-49: Improvements to Fitzpatrick Park	2,086,786	-	2,086,786	-	-	-	1,856,994	227,332	-	2,460
O-21-46: Amend Ordinance No. O-20-49	917,214	-	-	917,214	4,000	-	-	-	-	913,214
O-21-14: Bayonne Public Library Improvements	2,000,000	-	-	2,000,000	-	-	-	-	1,350,000	650,000

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Date	Ordinance	Amount	Balance: December 31, 2020		Current Year Authorizations	Adjusted/Cancelled	Refunding Bonds	Paid or Charged	Balance: December 31, 2021	
			Funded	Unfunded					Encumbered	Funded
O-21-15: Refunding of 2015 School Bonds										
03/17/21	\$ 13,500,000	\$ -	\$ -	\$ -	\$ 13,500,000	\$ 800,000	\$ 12,700,000	\$ -	\$ -	\$ -
O-21-39: Police Dept. Equipment & Vehicles										
09/22/21	286,671	-	-	-	286,671	-	-	-	240,131	-
O-21-41: Improvements to 16th Street Park										
10/20/21	1,500,000	-	-	-	1,500,000	-	-	-	-	750,000
		\$ 781,478	\$ 49,324,821	\$ 2,867,073	\$ 17,917,214	\$ 9,622,414	\$ 24,420,000	\$ 5,933,519	\$ 3,504,654	\$ 2,296,731
	Ref	C	C	C-21	C-5	C-5	C-5	C-9	C-18	C
	Library Appropriation			C-9		C-21	Capital Improvement Fund			
	Grants Receivable			C-6	\$ 350,000	\$ 100,000	C-9	Interfund		
	Deferred Charges Unfunded			C-5	1,750,000	93,414	C-5	Deferred Charges Unfunded		
					15,817,214	9,429,000				
					<u>\$ 17,917,214</u>	<u>\$ 9,622,414</u>				
					C-5	\$ 79,075,000	Refunding Bonds Issued			
					C-5	<u>54,655,000</u>	Prior Year Refunding Note Issued in 2020			
						<u>\$ 24,420,000</u>				

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE**

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increase	Paid By Budget Appropriation	Bonds Refunded	Balance Dec. 31, 2021
	Date	Amount	Maturity Date	Principal Amount						
Early Retirement Incentive Program Refunding Bonds (Qualified)	1/15/2003	\$ 15,795,000	1/15/2022	\$ 400,000	5.680%	\$ 13,710,000	\$ -	\$ 450,000	\$ -	\$ 13,260,000
			1/15/2023	470,000	5.680%					
			1/15/2024	600,000	5.680%					
			1/15/2025	700,000	5.680%					
			1/15/2026	800,000	5.680%					
			1/15/2027	935,000	5.680%					
			1/15/2028	1,080,000	5.680%					
			1/15/2029	1,250,000	5.680%					
			1/15/2030	1,435,000	5.680%					
			1/15/2031	1,640,000	5.680%					
		1/15/2032	1,855,000	5.680%						
		1/15/2033	2,095,000	5.680%						
Capital Appreciation Bonds (Qualified)	7/3/2003	6,123,000	7/1/2022	424,944	5.110%	1,242,899	-	450,000	-	792,899
			7/1/2023	367,955	5.170%					
Hudson County Improvement Authority (Qualified)	10/24/2008	10,000,000	8/1/2022	650,000	5.000%	4,010,000	-	565,000	-	3,445,000
			8/1/2023	650,000	5.000%					
			8/1/2024	650,000	5.000%					
			8/1/2025	1,495,000	5.000%					
Special Assessment Bonds	11/19/2014	6,322,000	11/15/2022	315,000	2.250%	4,410,000	-	315,000	-	4,095,000
			11/15/2023	315,000	2.500%					
			11/15/2024	315,000	2.750%					
			11/15/2025	315,000	3.000%					
			11/15/2026	315,000	3.000%					
			11/15/2027	315,000	3.000%					
			11/15/2028	315,000	3.125%					
			11/15/2029	315,000	3.125%					
			11/15/2030	315,000	3.250%					
			11/15/2031	315,000	3.375%					
			11/15/2032	315,000	3.500%					
			11/15/2033	315,000	3.500%					
			11/15/2034	315,000	3.500%					

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE**

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increase	Paid By Budget Appropriation	Bonds Refunded	Balance Dec. 31, 2021
	Date	Amount	Maturity Date	Principal Amount						
General Obligation Refunding Bonds	6/10/2015	\$ 14,775,000	8/1/2022	\$ 535,000	4.000%	\$ 13,280,000	\$ -	\$ 510,000	\$ -	\$ 12,770,000
			8/1/2023	555,000	5.000%					
			8/1/2024	580,000	5.000%					
			8/1/2025	610,000	5.000%					
			8/1/2026	635,000	5.000%					
			8/1/2027	665,000	4.000%					
			8/1/2028	690,000	4.000%					
			8/1/2029	715,000	4.000%					
			8/1/2030	740,000	4.000%					
			8/1/2031	775,000	4.000%					
			8/1/2032	800,000	4.000%					
			8/1/2033	830,000	4.000%					
			8/1/2034	860,000	4.000%					
		8/1/2035	895,000	4.000%						
		8/1/2036	925,000	4.125%						
		8/1/2037	960,000	4.125%						
		8/1/2038	1,000,000	4.125%						
General Improvement Infrastructure Bond (Qualified)	3/22/2016	66,000,000	7/1/2022	1,175,000	5.000%	63,800,000	-	1,095,000	54,655,000	8,050,000
			7/1/2023	1,245,000	5.000%					
			7/1/2024	825,000	5.000%					
			7/1/2025	2,380,000	5.000%					
		7/1/2026	2,425,000	5.000%						
General Improvement Bonds, Series 2018A	4/17/2018	7,208,000	2/1/2022	635,000	4.000%	6,213,000	-	620,000	-	5,593,000
			2/1/2023	650,000	5.000%					
			2/1/2024	665,000	5.000%					
			2/1/2025	685,000	3.000%					
			2/1/2026	705,000	3.000%					
			2/1/2027	730,000	3.000%					
			2/1/2028	750,000	3.000%					
		2/1/2029	773,000	3.000%						

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE**

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increase	Paid By Budget Appropriation	Bonds Refunded	Balance Dec. 31, 2021
	Date	Amount	Maturity Date	Principal Amount						
General Improvement Bonds, Series 2018B	4/17/2018	\$ 13,447,000	2/1/2022	\$ 355,000	5.000%	\$ 12,737,000	\$ -	\$ -	\$ -	\$ 12,382,000
			2/1/2023	355,000	5.000%					
			2/1/2024	355,000	5.000%					
			2/1/2025	355,000	5.000%					
			2/1/2026	355,000	5.000%					
			2/1/2027	355,000	5.000%					
			2/1/2028	355,000	5.000%					
			2/1/2029	355,000	5.000%					
			2/1/2030	355,000	5.000%					
			2/1/2031	360,000	5.000%					
			2/1/2032	375,000	4.500%					
			2/1/2033	385,000	4.250%					
			2/1/2034	400,000	4.250%					
			2/1/2035	420,000	4.300%					
			2/1/2036	435,000	4.500%					
			2/1/2037	450,000	4.500%					
		2/1/2038	470,000	4.500%						
		2/1/2039	490,000	4.500%						
		2/1/2040	510,000	4.500%						
		2/1/2041	530,000	4.500%						
		2/1/2042	550,000	4.500%						
		2/1/2043	575,000	4.500%						
		2/1/2044	595,000	4.500%						
		2/1/2045	620,000	4.500%						
		2/1/2046	645,000	4.500%						
		2/1/2047	675,000	4.500%						
		2/1/2048	702,000	4.500%						

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE**

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increase	Paid By Budget Appropriation	Bonds Refunded	Balance Dec. 31, 2021
	Date	Amount	Maturity Date	Principal Amount						
General Improvement Bonds, Series 2020	5/11/2020	\$ 27,026,000	2/1/2022	\$ 750,000	5.000%	\$ 27,026,000	\$ -	\$ 750,000	\$ -	\$ 26,276,000
			2/1/2023	750,000	5.000%					
			2/1/2024	750,000	5.000%					
			2/1/2025	750,000	5.000%					
			2/1/2026	750,000	5.000%					
			2/1/2027	750,000	5.000%					
			2/1/2028	750,000	5.000%					
			2/1/2029	750,000	5.000%					
			2/1/2030	750,000	5.000%					
			2/1/2031	750,000	3.000%					
			2/1/2032	750,000	3.250%					
			2/1/2033	750,000	3.375%					
			2/1/2034	750,000	3.500%					
			2/1/2035	750,000	3.500%					
			2/1/2036	750,000	3.625%					
			2/1/2037	750,000	3.625%					
			2/1/2038	785,000	3.750%					
			2/1/2039	825,000	3.750%					
			2/1/2040	870,000	3.750%					
			2/1/2041	915,000	4.000%					
		2/1/2042	965,000	4.000%						
		2/1/2043	1,020,000	4.000%						
		2/1/2044	1,075,000	4.000%						
		2/1/2045	1,135,000	4.000%						
		2/1/2046	1,195,000	4.000%						
		2/1/2047	1,260,000	4.000%						
		2/1/2048	1,335,000	4.000%						
		2/1/2049	1,410,000	4.000%						
		2/1/2050	1,486,000	4.000%						

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE**

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increase	Paid By Budget Appropriation	Bonds Refunded	Balance Dec. 31, 2021
	Date	Amount	Maturity Date	Principal Amount						
General Improvement Refunding Bonds Series 2021	8/5/2021	\$ 66,375,000	7/1/2022	\$ 1,045,000	0.392%	\$ -	\$ 66,375,000	\$ -	\$ -	\$ 66,375,000
			7/1/2023	905,000	0.492%					
			7/1/2024	910,000	0.757%					
			7/1/2025	915,000	0.989%					
			7/1/2026	925,000	1.189%					
			7/1/2027	3,410,000	1.458%					
			7/1/2028	3,365,000	1.658%					
			7/1/2029	3,325,000	1.792%					
			7/1/2030	3,280,000	1.942%					
			7/1/2031	3,240,000	2.042%					
			7/1/2032	3,185,000	2.192%					
			7/1/2033	4,720,000	2.342%					
			7/1/2034	5,695,000	2.442%					
			7/1/2035	5,870,000	2.542%					
			7/1/2036	6,055,000	2.642%					
			7/1/2037	6,270,000	2.814%					
			7/1/2038	6,505,000	2.814%					
			7/1/2039	6,755,000	2.814%					

Ref.	\$ 146,428,899	\$ 66,375,000	\$ 5,110,000	\$ 54,655,000	\$ 153,038,899
	C	C-4, C-5, C-24	C-4	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, 2021**

SCHEDULE OF CAPITAL APPRECIATION BONDS PAYABLE

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Balance Dec. 31, 2021
	Date	Amount	Maturity Date	Principal Amount			
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
					<u>Ref.</u>	<u>C</u>	<u>C</u>

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE OF SCHOOL SERIAL BONDS PAYABLE

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increase	Paid By Budget Appropriation	Bonds Refunded	Balance Dec. 31, 2021
	Date	Amount	Maturity Date	Principal Amount						
School Refunding Bonds	04/01/2003	\$ 3,965,000	01/15/22 01/15/23	\$ 560,000 590,000	5.500% 5.500%	\$ 1,680,000	\$ -	\$ 530,000	\$ -	\$ 1,150,000
Capital Appreciation Bonds	02/15/2003	4,753,739	02/15/22	275,015	4.974%	575,029	-	300,014	-	275,015
Capital Appreciation Bonds	07/03/2003	12,381,097	07/01/22	875,614	4.910%	2,693,007	-	935,966	-	1,757,041
Early Retirement Incentive Funding Bonds	05/07/2009	10,920,000				1,215,000	-	1,215,000	-	-
School Bonds, Series 2014B	11/19/2014	6,121,000	11/15/22 11/15/23 11/15/24 11/15/25 11/15/26 11/15/27 11/15/28 11/15/29 11/15/30 11/15/31 11/15/32 11/15/33 11/15/34	270,000 280,000 290,000 305,000 320,000 330,000 345,000 355,000 370,000 385,000 395,000 410,000 426,000	2.250% 2.500% 3.000% 3.000% 3.000% 3.000% 3.000% 3.125% 3.125% 3.250% 3.250% 3.375% 3.500%	4,736,000	-	255,000	-	4,481,000
School Bonds, Series 2014C (Federally Taxable)	11/19/2014	1,027,000				157,000	-	157,000	-	-
School Refunding Bonds	08/13/2014	28,380,000	07/15/22 07/15/23 07/15/24 07/15/25	2,995,000 3,005,000 3,180,000 3,320,000	5.000% 5.000% 4.000% 3.000%	15,300,000	-	2,800,000	-	12,500,000
School Refunding Bonds (NJ School Bond Reserve Act P.L. 1980, c. 72)	06/10/2015	15,475,000	08/01/22 08/01/23 08/01/24 08/01/25	560,000 585,000 610,000 615,000	5.000% 5.000% 5.000% 5.000%	13,875,000	-	535,000	10,970,000	2,370,000

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE OF SCHOOL SERIAL BONDS PAYABLE

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increase	Paid By		Balance Dec. 31, 2021
	Date	Amount	Maturity Date	Principal Amount				Budget Appropriation	Bonds Refunded	
School Refunding Bonds Series 2016	04/19/2016	\$ 3,425,000	07/01/22	\$ 355,000	4.000%	\$ 1,800,000	\$ -	\$ 335,000	\$ -	\$ 1,465,000
			07/01/23	355,000	4.000%					
			07/01/24	370,000	4.000%					
			07/01/25	385,000	4.000%					
School Refunding Bonds Series 2021	08/05/2021	12,700,000	8/1/2022	240,000	0.392%	-	12,700,000	-	-	12,700,000
			8/1/2023	240,000	0.492%					
			8/1/2024	240,000	0.757%					
			8/1/2025	245,000	0.989%					
			8/1/2026	1,110,000	1.189%					
			8/1/2027	2,575,000	1.458%					
			8/1/2028	2,730,000	1.658%					
		8/1/2029	2,875,000	1.792%						
		8/1/2030	2,445,000	1.942%						

Ref \$	42,031,036	\$	12,700,000	\$	7,062,980	\$	10,970,000	\$	36,698,056
	C		C-4, C-5, C-24		C-4		C-4		C

CITY OF BAYONNE
 GENERAL CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021
 SCHEDULE OF GREEN TRUST LOANS PAYABLE

Description of Loan	Original Issue		Maturities of Bonds Outstanding December 31, 2021			Date	Amount	Balance Dec. 31, 2020	Increase	Paid By Budget Appropriation	Balance Dec. 31, 2021
	Date	\$	Interest	Principal	\$						
1995 GFB	2006	\$ 171,000	\$	455	4,861	02/09/22	\$	\$ 55,121	-	9,578	\$ 45,543
				407	4,910	08/09/22					
				358	4,959	02/09/23					
				308	5,009	08/09/23					
				258	5,059	02/09/24					
				207	5,109	08/09/24					
				156	5,160	02/09/25					
				105	5,212	08/09/25					
				53	5,264	02/09/26					
95GT	2006	100,000		266	2,843	02/10/22		32,235	-	5,602	26,633
				238	2,871	08/10/22					
				209	2,900	02/10/23					
				180	2,929	08/10/23					
				151	2,958	02/10/24					
				121	2,988	08/10/24					
				91	3,018	02/10/25					
				61	3,048	08/10/25					
				31	3,078	02/10/26					

\$	87,356	\$	-	\$	15,180	\$	72,176

Ref C C-4 C

CITY OF BAYONNE
 GENERAL CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021
 SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK LOANS PAYABLE

Description of Loan	Original Issue		Maturities of Bonds Outstanding December 31, 2021		Balance Dec. 31, 2020	Increase	Paid By Budget Appropriation	Balance Dec. 31, 2021
	Date	Amount	Date	Principal				
Ord. O-20-19	2022	\$ 4,539,769			\$ -	\$ 4,539,769	\$ -	\$ 4,539,769
					\$ -	\$ 4,539,769	\$ -	\$ 4,539,769
					Ref	C	C-4	C
						C-8		

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF LEASES PAYABLE - CREDIT UNION

Description of Loan	Original Issue		Maturities of Bonds Outstanding December 31, 2021				Balance Dec. 31, 2020		Paid By Budget		Balance Dec. 31, 2021
	Date	Amount	Date	Interest	Principal	Dec. 31, 2020	Increase	Appropriation			
Fire Truck	2012	\$ 177,028	2022	\$ 123	\$ 9,373	\$ 31,051	\$ -	\$ 21,678	\$ 9,373		
Rescue Vessel	2012	77,187	2022	128	6,501	15,837	-	9,336	6,501		
Vehicle	2020	44,322	2022	576	11,056	38,949	-	10,785	28,164		
			2023	297	11,335						
			2024	42	5,773						
						<u>\$ 85,837</u>	<u>\$ -</u>	<u>\$ 41,799</u>	<u>\$ 44,038</u>		
						Ref	C	C-4	C		

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF GENERAL BOND ANTICIPATION NOTES PAYABLE

Ordinance Number	Purpose	Original		Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increased by:		Decreased by:			Balance Dec. 31, 2021
		Date of Issue	Amount					Notes Issued	Notes Refunded	Notes Not Renewed	Budget Appropriation		
HCIA Tax-Exempt County-Guaranteed Pooled Notes, Series 2021 C-1 (Local Unit Loan Program)													
O-16-66	Various Capital Improvements	10/19/2017	\$ 4,500,000	08/17/2021	08/16/2022	1.000%	\$ -	\$ 4,318,000	\$ -	\$ -	\$ -	\$ -	\$ 4,318,000
O-17-21	Various Capital Improvements	10/19/2017	1,675,000	08/17/2021	08/16/2022	1.000%	-	1,274,174	-	-	-	-	1,274,174
O-21-39	Amending O-17-21	10/19/2017	1,675,000	08/17/2021	08/16/2022	1.000%	-	272,826	-	-	-	-	272,826
O-17-28	Roadway Improvements-LeFante	10/03/2018	550,000	08/17/2021	08/16/2022	1.000%	-	535,000	-	-	-	-	535,000
							-	6,400,000	-	-	-	-	6,400,000
HCIA Tax-Exempt County-Guaranteed Pooled Notes, Series 2020 C-1A (Local Unit Loan Program)													
O-16-66	Various Capital Improvements	10/19/2017	4,500,000	09/03/2020	09/02/2021	1.500%	4,409,000	-	4,318,000	-	-	91,000	-
O-17-21	Various Capital Improvements	10/19/2017	1,675,000	09/03/2020	09/02/2021	1.500%	1,611,000	-	1,547,000	-	-	64,000	-
O-17-28	Roadway Improvements-LeFante	10/03/2018	550,000	09/03/2020	09/02/2021	1.500%	550,000	-	535,000	-	-	15,000	-
							6,570,000	-	6,400,000	-	-	170,000	-
HCIA Tax-Exempt County-Guaranteed Pooled Notes, Series 2021 B-1 (Local Unit Loan Program)													
O-18-51	Various Capital Improvements	05/24/2019	3,475,000	04/29/2021	04/28/2022	1.500%	-	3,475,000	-	-	-	-	3,475,000
O-18-51	Various Capital Improvements	05/24/2019	3,475,000	05/12/2020	05/11/2021	2.500%	3,475,000	-	3,475,000	-	-	-	-
							3,475,000	3,475,000	3,475,000	-	-	-	3,475,000
Aqueduct Improvement Notes - Private Sale													
O-18-52	Aqueduct Improvements	10/18/19	1,000,000	09/17/2020	09/17/2021	0.653%	1,000,000	-	-	1,000,000	-	-	-
							\$ 11,045,000	\$ 9,875,000	\$ 9,875,000	\$ 1,000,000	\$ 170,000	\$ -	\$ 9,875,000
							Ref C, C-2	Contra	Contra	Contra	C-5	C, C-2	

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF CONTRACTS PAYABLE

Balance: December 31, 2020	<u>Ref</u> C		\$ 2,867,073
Increased by Reserved at Year end For:			
Improvement Authorizations	C-10	\$ 3,504,654	
Reserve for Capital Improvements	C-19	<u>1,130,000</u>	
			<u>4,634,654</u>
			7,501,727
Decreased by Amounts Added to:			
Improvement Authorizations	C-10		<u>2,867,073</u>
Balance: December 31, 2021	C		<u><u>\$ 4,634,654</u></u>

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENTS

	Balance Dec. 31, 2020	Increased by: Cash Receipts	Decreased by: Encumbrances	Balance Dec. 31, 2021
Memorandum of Understanding with PPG - Environmental Remediation of Collins Park	\$ 1,130,000	\$ -	\$ 1,130,000	\$ -
Veterans Stadium	25,000	-	-	25,000
Pedestrian Bridge	-	550,000	-	550,000
Park Improvements	-	500,000	-	500,000
Intersection Improvements	-	250,000	-	250,000
Marist High School	-	100,000	-	100,000
	<u>\$ 1,155,000</u>	<u>\$ 1,400,000</u>	<u>\$ 1,130,000</u>	<u>\$ 1,425,000</u>
	C	C-2	C-18	C

SCHEDULE OF RESERVE FOR DEBT SERVICE

	Balance Dec. 31, 2020	Increased by: Receipts	Decreased by: Current Fund Share of Premium	Balance Dec. 31, 2021
Debt of the former:				
Local Redevelopment Agency	\$ 1,691,441	\$ 195,001	\$ -	\$ 1,886,442
Municipal Utilities Authority	206,632	-	-	206,632
Other City Debt	15,356	28,960	1,895	42,421
	<u>\$ 1,913,429</u>	<u>\$ 223,961</u>	<u>\$ 1,895</u>	<u>\$ 2,135,495</u>
	C	C-2; C-3	C-9	C

**CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance: December 31, 2020	<u>Ref</u> C	\$ 173,929
Increased by:		
Budget Appropriations	C-9	\$ 150,000
Cancel Ordinance 20-48, Reso of Oct. 20, 2021 No. 74	C-10	<u>100,000</u>
		<u>250,000</u>
Balance: December 31, 2021	C	<u>\$ 423,929</u>

SCHEDULE OF RESERVE FOR PRELIMINARY EXPENSES

Balance: December 31, 2020	<u>Ref</u> C	\$ 135,682
Decreased by:		
Cash Disbursed by Current Fund	C-9	<u>132,515</u>
Balance: December 31, 2021	C	<u>\$ 3,167</u>

SCHEDULE OF RESERVE FOR GRANT RECEIVABLE

Balance: December 31, 2020	<u>Ref</u> C	\$ 661,713
Decreased by:		
Hudson County Open Space Grant Receipts	C-5	<u>606,617</u>
Balance: December 31, 2021	C	<u>\$ 55,096</u>
		<u>\$ 55,096</u>
		20-49: Improvements to Fitzpatrick Park
		<u>\$ 55,096</u>

CITY OF BAYONNE
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Description	Balance Dec. 31, 2020	Debt Authorized	Increased by:			Decreased by:				Notes Issued	Balance Dec. 31, 2021
				Refunding not Issued in 2020	Notes Matured	Authorizations Cancelled	Bonds Issued	Amended by Ordinance	Budget Appropriation	Cash Receipts		
General Improvements:												
O-99-31	Demolition of Unsafe Buildings	\$ 133,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,936
O-16-66	Various Capital Improvements	-	-	4,409,000	-	-	-	91,000	-	-	4,318,000	-
O-17-21	Various Capital Improvements	-	-	1,611,000	-	-	-	272,826	64,000	-	1,274,174	-
O-21-39	Amending O-17-21	-	-	-	-	-	-	(272,826)	-	-	272,826	-
O-17-28	Roadway Improvements-Lefante	-	-	550,000	-	-	-	-	15,000	-	535,000	-
O-18-51	Various Capital Improvements	-	-	3,475,000	-	-	-	-	-	-	3,475,000	-
O-18-52	Aqueduct Improvements	10,700,000	-	1,000,000	-	-	-	-	-	-	-	11,700,000
O-19-56	Various Capital Improvements	7,380,948	-	-	-	-	-	-	-	-	-	7,380,948
O-20-19	Various Capital Improvements	9,523,809	-	-	-	-	-	-	-	-	-	9,523,809
O-20-26	Refunding Bond	-	-	-	-	-	-	-	-	497,447	-	9,026,362
O-20-49	Improvements to Fitzpatrick Park	20,345,000	-	54,655,000	-	8,625,000	66,375,000	-	-	-	-	-
O-21-46	Supplement to O-20-49	2,086,786	-	-	-	-	-	-	-	606,617	-	1,480,169
O-21-14	Library Improvements	-	917,214	-	-	4,000	-	-	-	-	-	913,214
O-21-41	16th Street Park Improvements	-	650,000	-	-	-	-	-	-	-	-	650,000
O-21-41	16th Street Park Improvements	-	750,000	-	-	-	-	-	-	-	-	750,000
School Improvements:												
O-21-15	School Refunding Bonds	-	13,500,000	-	-	800,000	12,700,000	-	-	-	-	-
		\$ 50,170,479	\$ 15,817,214	\$ 54,655,000	\$ 11,045,000	\$ 9,429,000	\$ 79,075,000	\$ -	\$ 170,000	\$ 1,104,064	\$ 9,875,000	\$ 32,034,629
Ref	C		C-5, C-10	C-5, C-10	C-17	C-5, C-10	C-4, C-5, C-13		C-5, C-17		C-17	C
				School Bonds Issued		C-4, C-5, C-13	\$ 12,700,000		C-8	\$ 497,447		
				General Bonds Issued		C-4, C-5, C-11	66,375,000		C-5, C-23	606,617		
							<u>\$ 79,075,000</u>			<u>\$ 1,104,064</u>		

**CITY OF BAYONNE
PARKING UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF CASH AND CASH EQUIVALENTS

	<u>Ref.</u>	<u>Parking Utility Operating</u>	<u>Parking Utility Capital</u>
Increased by Cash Receipts:			
Parking Utility Revenues	D-3	\$ 1,149,267	\$ -
Appropriation Reserves	D-9	3,739	-
Interfunds Advanced	D-8, D-16	51,521	216,218
Interest Revenue	D-16	-	1,555
		<u>1,204,527</u>	<u>217,773</u>
Decreased by Cash Disbursements:			
Appropriation Reserves	D-9	2,766	-
Bond Reserve Fund	D-20	-	87,763
Interfunds Returned	D-8, D-16	1,177,693	316,195
		<u>1,180,459</u>	<u>403,958</u>
Net Change in Cash		24,068	(186,185)
Balance: December 31, 2020	D	<u>\$ 579,879</u>	<u>\$ 396,853</u>
Balance: December 31, 2021	D	<u>\$ 603,947</u>	<u>\$ 210,668</u>

**CITY OF BAYONNE
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

ANALYSIS OF PARKING UTILITY CAPITAL CASH AND CASH EQUIVALENTS

	Balance Dec 31, 2020	Cash Receipts	Cash Disbursements	Transfers		Balance Dec 31, 2021
				From	To	
Interfunds	\$ (265,917)	\$ 217,773	\$ 316,195	\$ 40,000	\$ -	\$ (404,339)
Bond Reserve Fund	87,763	-	87,763	-	-	-
Capital Improvement Fund	125,000	-	-	-	40,000	165,000
Fund Balance	450,007	-	-	-	-	450,007
	<u>\$ 396,853</u>	<u>\$ 217,773</u>	<u>\$ 403,958</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 210,668</u>

**CITY OF BAYONNE
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF DEFERRED CHARGES

	<u>Ref.</u>	TOTAL	Payroll Tax Deferral	Deficit in Operations
Balance: December 31, 2020	D	\$ 34,291	\$ 34,291	\$ -
Increased by:				
Deficit in Operations	D-1	55,030	-	55,030
		89,321	34,291	55,030
Decreased by:				
Payment of Payroll Tax Deferral	D-12	34,291	34,291	-
Balance: December 31, 2021	D	\$ 55,030	\$ -	\$ 55,030

**CITY OF BAYONNE
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF INTERFUNDS

	Ref.	Total	Grant Fund	Utility Capital
Increased by:				
Cash Disbursements	D-5	\$ 1,177,693	\$ 1,137,693	\$ 40,000
ARP Funds	D-3	425,404	425,404	-
Interest Revenue	D-3	1,555	-	1,555
		<u>1,604,652</u>	<u>1,563,097</u>	<u>41,555</u>
Decreased by:				
Cash Receipts	D-5	51,521	-	51,521
Budget Appropriation:				
Capital Improvement Fund	D-4	40,000	-	40,000
Expenditures Paid by Current Fund	D-4	1,559,358	1,559,358	-
		<u>1,650,879</u>	<u>1,559,358</u>	<u>91,521</u>
Net Change in Interfunds		(46,227)	3,739	(49,966)
Balance: December 31, 2020				
Interfunds Payable	D	<u>265,917</u>	-	<u>265,917</u>
Balance: December 31, 2021				
Interfunds Receivable	D	<u>\$ 3,739</u>	<u>\$ 3,739</u>	<u>\$ -</u>
Interfunds Payable	D	<u>\$ 315,883</u>	<u>\$ -</u>	<u>\$ 315,883</u>

**CITY OF BAYONNE
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF APPROPRIATION RESERVES

	Balance: December 31, 2020		Balance after	Paid or	Contracts	Balance
	Reserved	Encumbered	Transfers	Charged	Payable	Lapsed
Operating:						
Salaries and Wages	\$ 22,252	\$ -	22,252	\$ (3,739)	\$ -	\$ 25,991
Other Expenses	32,830	1,313	34,143	2,766	-	31,377
Group Insurance	9,847	-	9,847	-	-	9,847
	<u>64,929</u>	<u>1,313</u>	<u>66,242</u>	<u>(973)</u>	<u>-</u>	<u>67,215</u>
Statutory Expenditures:						
Social Security (O.A.S.I.)	1,653	-	1,653	-	-	1,653
	<u>1,653</u>	<u>-</u>	<u>1,653</u>	<u>-</u>	<u>-</u>	<u>1,653</u>
	<u>\$ 66,582</u>	<u>\$ 1,313</u>	<u>\$ 67,895</u>	<u>\$ (973)</u>	<u>\$ -</u>	<u>\$ 68,868</u>
	D	D-10				D-1
			Cash Receipts	D-5	\$ 3,739	
			Cash Disbursements	D-5	<u>2,766</u>	
					<u>\$ 973</u>	

**CITY OF BAYONNE
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance: December 31, 2020	D	\$ 1,313
Increased by Receipts:		
Current Year Appropriations	D-4	3,756
		5,069
Decreased by Disbursements:		
Prior Year Budget Appropriation	D-9	1,313
		1,313
Balance: December 31, 2021	D	\$ 3,756

Exhibit D-11

SCHEDULE OF RESERVE FOR DEBT SERVICE

	<u>Ref.</u>	
Balance: December 31, 2021 and 2020	D	\$ 9,624

Exhibit D-12

SCHEDULE OF PAYROLL TAX DEFERRAL PAYABLE

	<u>Ref.</u>	
Balance: December 31, 2020	D	\$ 34,291
Decreased by:		
Cash Disbursements	D-7	34,291
		34,291
Balance: December 31, 2021	D	\$ -

**CITY OF BAYONNE
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF ACCRUED INTEREST

Balance: December 31, 2020	<u>Ref.</u> D	\$ 34,750
Increased by:		
Interest on Bonds	D-4	30,917
		65,667
Decreased by:		
Prior Year Accrual Realized in Prior Year	D-4	34,750
		34,750
Balance: December 31, 2021	D	\$ 30,917

Principal Outstanding Dec. 31, 2021	Interest Rate	Accrual Period			Accrual Amount
		From	To	Months	
\$ 1,590,000	Multi-Rate Bond	08/01/21	12/31/21	5	\$ 30,917

**CITY OF BAYONNE
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF FIXED CAPITAL

	Balance 2020	Balance 2021
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

Improvement Description	Date	Balance Dec. 31, 2020	Balance Dec. 31, 2021
Purchase of Parking Lot from Board of Education	2007	\$ 450,000	\$ 450,000
Construction Projects	2007	659,965	659,965
		\$ 1,109,965	\$ 1,109,965
		D	D

**CITY OF BAYONNE
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF INTERFUNDS

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Utility Operating</u>
Increased by:				
Budget Appropriation:				
Capital Improvement Fund	D-21	\$ 40,000	\$ -	\$ 40,000
Cash Disbursements	D-5	316,195	264,674	51,521
		<u>356,195</u>	<u>264,674</u>	<u>91,521</u>
Decreased by:				
Cash Receipts	D-5	216,218	176,218	40,000
Interest Received	D-5	1,555	-	1,555
		<u>217,773</u>	<u>176,218</u>	<u>41,555</u>
Net Change in Interfunds		138,422	88,456	49,966
Balance: December 31, 2020				
Interfunds Receivable	D	<u>265,917</u>	-	<u>265,917</u>
Balance: December 31, 2021				
Interfunds Receivable	D	<u>\$ 404,339</u>	<u>\$ 88,456</u>	<u>\$ 315,883</u>

**CITY OF BAYONNE
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE OF PARKING REVENUE SERIAL BONDS PAYABLE**

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2021			Interest Rate	Balance Dec. 31, 2020	Paid By Budget Appropriation	Balance Dec. 31, 2021
	Date	Amount	Maturity Date	Principal Amount	Amount				
Parking Utility Refunding Bonds, Series 2015	06/10/15	\$ 2,530,000	08/01/22	\$ 235,000		4.000%	\$ 1,820,000	\$ 230,000	\$ 1,590,000
			08/01/23	245,000		5.000%			
			08/01/24	260,000		5.000%			
			08/01/25	275,000		5.000%			
			08/01/26	280,000		5.000%			
			08/01/27	295,000		4.000%			
							\$ 1,820,000	\$ 230,000	\$ 1,590,000
							D	D-19	D

**CITY OF BAYONNE
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Improvement Description	Date	Balance Dec. 31, 2020	Balance Dec. 31, 2021
Purchase of Parking Lot from Board of Education	2007	\$ 450,000	\$ 450,000
Construction Projects	2007	659,965	659,965
		<u>\$ 1,109,965</u>	<u>\$ 1,109,965</u>
		D	D

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance: December 31, 2020	<u>Ref.</u> D	\$ 3,534,861
Increased by:		
Transferred from Deferred Reserve for Amortization		
Serial Bond Principal Amortization	D-17	<u>230,000</u>
Balance: December 31, 2021	D	<u>\$ 3,764,861</u>

**CITY OF BAYONNE
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF BOND RESERVE FUND

	<u>Ref.</u>	
Balance: December 31, 2020	D	\$ 87,763
Decreased by:		
Cash Disbursements	D-5	<u>87,763</u>
Balance: December 31, 2021	D	<u><u>\$ -</u></u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance: December 31, 2020	D	\$ 125,000
Increased by:		
Operating Utility Fund - Budget Appropriation	D-16	<u>40,000</u>
		165,000
Balance: December 31, 2021	D	<u><u>\$ 165,000</u></u>

**CITY OF BAYONNE
GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY CLASS

		2021		2020
	<u>Ref.</u>			
Land	E	\$ 166,394,147	\$	166,394,147
Buildings	E	10,233,265		10,233,265
Improvements	E	93,129,774		93,129,774
Machinery, Equipment & Other	E	22,680,578		22,680,578
		\$ 292,437,764	\$	292,437,764

SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS

		<u>Ref.</u>		
Balance: December 31, 2021 and 2020		E		\$ 292,437,764

**CITY OF BAYONNE
BAYONNE PUBLIC LIBRARY AGENCY
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF AGGREGATION OF LIBRARY FUNDS ON RESERVE

	2021	2020	2019	2019 and	Reserve	Reserve for	Improvement
Total	Budget	Budget	Budget	Prior Due	for	Fines and	Authorization
	Appropriation	Appropriation	Appropriation	to Library	State Aid	Donations	Ord. O-21-14
Increased by:							
Budget Appropriation	\$ 2,639,689	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funded by Budget Appropriation	350,000	-	-	-	-	-	350,000
Debt Authorized	650,000	-	-	-	-	-	650,000
Cash Receipts	3,486	-	-	-	-	3,486	-
Library Construction Bond Act Grant Program	1,000,000	-	-	-	-	-	1,000,000
Reclass 2019 Budget Remaining at Year End	751,299	-	-	751,299	-	-	-
Prior Year Encumbrances	16,535	13,292	3,243	-	-	-	-
	5,411,009	2,639,689	3,243	751,299	-	3,486	2,000,000
Decreased by:							
Cash Disbursements	2,113,964	169,203	3,243	-	-	-	-
Reserve for Future Payment	751,299	751,299	-	-	-	-	-
Applied to Improvement Authorization	350,000	-	-	-	-	-	-
Contract Payable at Year End	9,722	9,722	-	-	-	-	-
Encumbered at Year End	6,920	-	-	-	-	-	-
	3,231,905	2,298,438	3,243	-	-	-	-
Net Change in Interfunds	2,179,104	341,251	-	751,299	-	3,486	2,000,000
Balance: December 31, 2020	1,241,722	-	916,932	234,895	55,691	34,204	-
Balance: December 31, 2021	\$ 3,420,826	\$ 341,251	\$ -	\$ 986,194	\$ 55,691	\$ 37,690	\$ 2,000,000
Ref.	A-3	A-15	A-27	B-16	B-16	B-16	C-10

CITY OF BAYONNE

REPORT OF AUDIT

**SUPPLEMENTARY INFORMATION:
GOVERNMENT AUDITING STANDARDS**

**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, 2021 and 2020, 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 and Parking Utility Operating Fund, and the related statement of changes in fund balance – regulatory basis, of the General Capital Fund and Parking 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 15, 2022.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency noted in the accompanying schedule of findings and questioned costs as Finding 2021-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2021-002 to be a significant deficiency.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Findings 2021-001 and 2021-002.

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.

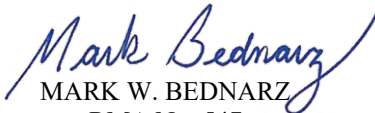
City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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, LLC
Certified Public Accountants


MARK W. BEDNARZ
RMA No. 547

Bayonne, New Jersey
September 15, 2022

CITY OF BAYONNE

REPORT OF AUDIT

**SUPPLEMENTARY INFORMATION:
UNIFORM GUIDANCE & NJ OMB 15-08**

**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 15-08**

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

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

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 the City's major federal and state programs for the year ended December 31, 2021. 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.

Qualified Opinion on the Federal Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Grant

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the SLFRF Grant for the year ended December 31, 2021.

Unmodified Opinion on Each of the Other Major Federal and State Programs

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2021.

Basis for Qualified and Unmodified Opinions

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; and 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 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJ OMB 15-08)*. Our responsibilities under those standards, the Uniform Guidance and NJ OMB 15-08 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.

Matter Giving Rise to Qualified Opinion on the Federal Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Grant

As described in Finding 2021-003 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the following:

Finding No.	Assistance Listing No.	Program (or Cluster) Name	Compliance Requirement
2021-003	21.027	Coronavirus State and Local Fiscal Recovery Funds	(L) – Reporting

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that federal program.

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 Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”), Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional 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 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 15-08, 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 15-08, 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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

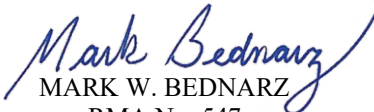
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 15-08. 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 15, 2022

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

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	Funds Received	Provided to Subrecipients	Grant Funds Expended	Cumulative Expenditures
U.S. Department of Housing and Urban Development							
CDBG - Entitlement Grants Cluster:							
Community Development Block Grant							
07/01/19 06/30/20	14.218	B19MC340099	\$ 7,506,622	\$ 1,070,011	\$ 1,040,396	\$ 1,396,175	\$ 4,431,985
Total CDBG - Entitlement Grants Cluster & CFDA 14.218				1,070,011	1,040,396	1,396,175	
Total U.S. Department of Housing and Urban Development				\$ 1,070,011	\$ 1,040,396	\$ 1,396,175	
U.S. Department of Justice							
Coronavirus Emergency Supplemental Funding Program							
01/20/2020 01/31/2022	16.034	Direct Award	\$ 51,793	\$ -	\$ -	\$ 3,777	\$ 51,793
				-	-	3,777	
Law Enforcement Block Grant II							
10/01/97 09/30/99	16.592	*	25,000	-	-	-	1,190
Law Enforcement Block Grant III							
10/01/98 09/30/00	16.592	*	22,000	-	-	-	(651)
Law Enforcement Block Grant IX							
10/01/04 09/30/05	16.592	*	49,918	-	-	-	-
Total CFDA 16.592				-	-	-	
Bulletproof Vest Partnership							
01/01/21 12/31/21	16.607	*	18,288	-	-	-	41,445
01/01/19 12/31/19	16.607	*	62,174	17,751	-	43,145	60,266
01/01/20 12/31/20	16.607	*	26,880	16,033	-	-	-
Total CFDA 16.607				33,784	-	43,145	
Community Oriented Policing Services (COPS):							
COPS 2012							
01/01/18 12/31/18	16.710	*	19,943	-	-	-	-
Technology							
07/01/11 06/30/12	16.710	*	445,092	-	-	445,092	445,092
Secure Our Schools (SOS)							
07/01/08 06/30/09	16.710	*	62,245	-	-	62,245	62,245
Total CFDA 16.710				-	-	507,337	
Justice Assistance Grant							
01/01/17 12/31/17	16.738	*	80,464	-	-	-	79,605
07/01/09 06/30/10	16.738	*	600,000	-	-	-	584,519
Total CFDA 16.738				-	-	-	
Federal Equitable Sharing:							
Justice: Reimbursement Police Department							
*	*	16.922	02-213-41713-2-199	42,119	-	-	-
*	*	16.922	02-213-41713-2-199	134,976	-	-	28,359
*	*	16.922	02-213-41713-2-199	344,134	-	-	14,821
Total CFDA 16.922				-	-	43,180	
Total U.S. Department of Justice				\$ 33,784	\$ -	\$ 597,439	

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

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	Funds Received	Provided to Subrecipients	Grant Funds Expended	Cumulative Expenditures
U.S. Department of Transportation							
Passed through NJ Department of Transportation							
Safe Routes to School Program							
Sa * *	20.200	078-6300-480	\$ 300,000	\$ -	\$ -	\$ -	\$ 12,188
Total CFDA 20.200							
Highway Planning and Construction Cluster							
NJ Transportation Trust Fund Authority Act:							
Pedestrian Bridge							
07/21/05 Completion	20.205	078-6300-480	550,000	-	-	-	35,973
Total CFDA 20.205 & Highway Planning and Construction Cluster							
Highway Safety Cluster							
Passed through State of NJ Department of Law and Public Safety, Division of Highway and Traffic Safety:							
National Priority Safety Programs							
Click it or Ticket							
01/01/21 12/31/21	20.616	*	9,000	9,000	-	9,000	9,000
Distracted Driving Crackdown							
01/01/21 12/31/21	20.616	*	9,000	9,000	-	-	
Labor Day DWI Crackdown							
09/01/21 09/30/21	20.616	*	5,760	5,760	-	-	
Drive Sober Or Get Pulled Over							
01/01/20 12/31/20	20.616	*	5,500	-	-	5,500	5,500
01/01/21 12/31/21	20.616	*	6,000	6,000	-	6,000	6,000
Total CFDA 20.616 & Highway Safety Cluster							
Hazard Materials Emergency Preparedness & Training							
07/01/21 06/30/22	20.703	*	11,150	-	-	11,150	11,150
Total U.S. Department of Transportation							
				\$ 29,760	\$ -	\$ 31,650	
United States Department of Treasury							
Federal Equitable Sharing:							
Treasury: Customs and Border Control							
07/01/18 06/30/19	21.016	*	\$ 68,337	\$ 25,032	\$ -	\$ 22,017	64,035
07/01/21 06/30/22	21.016	*	28,301	-	-	-	28,301
Total CFDA 21.016							
Coronavirus Aid, Relief, and Economic Security Act or, CARES Act							
Passed through the County of Hudson							
* *	21.019	*	6,814,246	4,420,088	-	1,366,977	6,745,855
Total CFDA 21.019							
American Rescue Plan (ARP) / Local Fiscal Recovery Fund Grant (LFRF)							
* *	21.027	*	4,985,000	4,985,000	-	3,681,649	3,681,649
ARP / LFRF Small Business Grant Program							
* *	21.027	*	5,000,000	5,000,000	-	2,466,107	2,466,107
Revenue Loss							
* *	21.027	*	4,219,301	4,219,301	-	-	-
Unappropriated Reserves							
* *	21.027	*	3,623,642	3,623,642	-	-	-
Total CFDA 21.019							
				17,827,943	-	6,147,756	
Total United States Department of Treasury							
				\$ 22,273,063	\$ -	\$ 7,536,750	

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

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	Funds Received	Provided to Subrecipients	Grant Funds Expended	Cumulative Expenditures
U.S. Department of Health and Human Services							
Aging Cluster:							
Passed through the County of Hudson:							
Area Plan Grant - Older American Act							
01/01/18 12/31/18	93.044	*	\$ 258,906	\$ -	\$ -	\$ 84,298	\$ 216,334
01/01/21 12/31/21	93.044	*	149,391	113,959	-	20,367	20,367
Area Plan Grant - Older American Act - Families First Coronavirus Response Act							
01/01/20 12/31/20	93.044	*	47,291	-	-	-	-
Total Area Plan Grant - Older American Act (CFDA 93.044)				113,959	-	104,665	
Peer Grouping							
01/01/18 12/31/18	93.045	*	10,000	-	-	-	-
01/01/20 12/31/20	93.045	*	10,000	-	-	10,000	10,000
CAA Home Delivered Meals							
01/01/21 12/31/21	93.045	*	62,902	-	-	-	-
				-	-	10,000	
Congregate Meals Program							
01/01/19 12/31/19	93.053	*	576,812	-	-	-	300,741
01/01/20 12/31/20	93.053	*	466,606	-	-	37,931	465,169
01/01/21 12/31/21	93.053	*	473,658	380,985	-	391,939	391,939
Congregate Meals Program - Families First Coronavirus Response Act							
03/01/20 09/30/21	93.053	*	102,568	-	-	-	-
01/01/20 12/31/20	93.053	*	171,288	-	-	-	-
Total CFDA 93.053				380,985	-	429,870	
Total Aging Cluster				494,944	-	544,535	
Total U.S. Department of Health and Human Services				\$ 494,944	\$ -	\$ 544,535	
U.S. Department of Homeland Security							
Federal Emergency Management Agency (FEMA):							
Emergency Management Assistance							
* *	97.042	*	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
* *	97.042	*	20,023	-	-	20,000	20,000
Total CFDA 97.042				10,000	-	30,000	
Assistance to Firefighter Grants:							
* *	97.044	*	115,979	-	-	13,529	19,416
* *	97.044	*	213,077	-	-	-	-
Total CFDA 97.044				-	-	13,529	
Passed through Port Authority of New York and New Jersey							
Port Security Grant Program:							
* *	97.056	*	124,012	35,978	-	30,064	124,012
01/01/19 12/31/19	97.056	*	18,750	-	-	9,296	9,296
Total CFDA 97.056				35,978	-	39,360	
Urban Area Security Initiative (UASI) Training Reimbursement Fund							
* *	97.067	*	110,204	21,073	-	27,324	156,026
* *	97.067	*	59,201	-	-	-	-
				21,073	-	27,324	
Total U.S. Department of Homeland Security				\$ 67,051	\$ -	\$ 110,213	
TOTAL FEDERAL AWARDS				\$ 23,968,613	\$ 1,040,396	\$ 10,216,762	

* Not Available.

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

State Grant or Program Title and Grant Period	State Account Number or Program Code	Program or Award Amount	Funds Received	Provided to Subrecipients	Grant Funds Expended	Cumulative Expenditures
Department of Community Affairs						
Bureau of Housing Inspection						
State Local Housing Inspection Program						
01/01/21	12/31/21	*	\$ 8,381	\$ -	\$ -	\$ -
01/01/20	12/31/20	*	62,500	-	62,500	62,500
01/01/19	12/31/19	*	78,854	23,397	26,354	78,854
				<u>23,397</u>	<u>-</u>	<u>88,854</u>
Recreational Opportunities for Individuals with Disabilities (ROID Grant)						
01/01/20	12/31/20		24,000	-	24,000	24,000
ROID Summer Fun Project G.L.A.D. Special Needs Program						
*	*	*	24,000	-	-	9,126
				<u>-</u>	<u>-</u>	<u>24,000</u>
Total Department of Community Affairs			\$ 23,397	\$ -	\$ 112,854	
Governor's Council on Alcoholism and Drug Abuse						
Passed through County of Hudson						
Municipal Alliance Grant						
07/01/19	06/30/20	100-082-C001-004	\$ 68,400	\$ 37,232	\$ 68,400	\$ 68,400
07/01/18	06/30/19	100-082-C001-004	68,060	-	33,309	33,309
07/01/17	06/30/18	100-082-C001-004	54,448	-	54,448	54,448
07/01/16	06/30/17	100-082-C001-004	54,448	-	54,448	54,448
07/01/15	06/30/16	100-082-C001-004	85,390	-	85,390	85,390
07/01/14	06/30/15	100-082-C001-004	54,448	-	54,448	54,448
01/01/14	06/30/14	100-082-C001-004	30,642	-	30,642	30,642
01/01/13	12/31/13	100-082-C001-004	61,284	-	61,284	61,284
01/01/12	12/31/12	100-082-C001-004	63,526	-	63,526	63,526
01/01/11	12/31/11	100-082-C001-004	63,526	-	63,526	63,526
01/01/10	12/31/10	100-082-C001-004	63,526	-	4,252	63,526
Total Governor's Council on Alcoholism and Drug Abuse			\$ 37,232	\$ -	\$ 573,673	
Department of Law and Public Safety						
Drunk Driving Enforcement Fund						
01/01/15	12/31/15	100-78-64000	\$ 5,616	\$ -	\$ 1,109	\$ 2,732
01/01/21	12/31/21	100-78-64000	4,911	-	4,911	4,911
				<u>-</u>	<u>-</u>	<u>6,020</u>
Body Worn Camera Grant						
07/01/21	06/30/22	*	452,436	-	-	-
Body Armor Replacement Fund						
01/01/19	12/31/19	066-1020-718-001	16,364	12,101	9,111	9,111
01/01/21	12/31/21	066-1020-718-001	29,618	-	29,303	
01/01/17	12/31/17	066-1020-718-001	14,641	-	3,486	14,944
				<u>12,101</u>	<u>-</u>	<u>41,900</u>

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

State Grant or Program Title and Grant Period	State Account Number or Program Code	Program or Award Amount	Funds Received	Provided to Subrecipients	Grant Funds Expended	Cumulative Expenditures
Department of Law and Public Safety (continued)						
Pedestrian Safety Enforcement and Education						
10/01/18 09/30/19	066-1160-100-112	\$ 30,000	\$ 2,005	\$ -	\$ -	\$ 52,377
2020 2020	066-1160-100-112	30,000	25,990	-	30,000	30,000
2021 2021	066-1160-100-112	19,965	-	-	-	-
			<u>27,995</u>	<u>-</u>	<u>30,000</u>	
Total Department of Law and Public Safety			<u>\$ 40,096</u>	<u>\$ -</u>	<u>\$ 77,920</u>	
Department of Environmental Protection						
Recycling Tonnage Grant						
07/01/19 06/30/20	042-4900-752-001	\$ 109,084	\$ 109,084	\$ -	\$ 109,084	\$ 109,084
Clean Communities Act						
07/01/18 06/30/19	042-4900-765-004	98,761	-	-	80,204	98,761
07/01/19 06/30/20	042-4900-765-004	100,525	-	-	104,950	104,950
07/01/21 06/30/22	042-4900-765-004	107,049	107,049	-	107,049	107,049
07/01/17 06/30/18	042-4900-765-004	98,761	-	-	-	98,163
			<u>107,049</u>	<u>-</u>	<u>292,203</u>	
Green Acres Grant						
Multi Park Green Acres Grant						
* *	582-04-4800	1,000,000	-	-	478,233	816,503
O-21-41: 16th Street Park Improvements						
01/01/21 *	*	750,000	-	-	-	-
Green Acres Program - ONRR Grant						
01/01/15 12/31/15	582-04-4800	900,013	-	-	874,386	874,386
			<u>-</u>	<u>-</u>	<u>1,352,619</u>	
Hazardous Discharge Site Remediation Fund (HDSRF)						
01/01/21 *	*	52,566	-	-	-	-
Total Department of Environmental Protection			<u>\$ 216,133</u>	<u>\$ -</u>	<u>\$ 1,753,906</u>	
Department of Health						
Strengthening Local Public Health Capacity						
07/01/20 06/30/21	OLPH21PHC	\$ 291,042	\$ -	\$ -	\$ 61,395	\$ 61,395
07/01/21 06/30/22	OLPH22PHC	142,236	98,102	-	107,484	107,484
Total Department of Health			<u>\$ 98,102</u>	<u>\$ -</u>	<u>\$ 168,879</u>	
State Librarian						
State of New Jersey Library Construction Bond Act Grant Program						
01/01/21 *	*	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Total State Librarian			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

State Grant or Program Title and Grant Period	State Account Number or Program Code	Program or Award Amount	Funds Received	Provided to Subrecipients	Grant Funds Expended	Cumulative Expenditures
Department of Transportation						
2019 Municipal Aid - Various Streets						
01/01/19 12/31/19	078-6320-480	\$ 840,760	\$ -	\$ -	\$ 29,573	\$ 695,615
2018 Municipal Aid - Various Streets						
01/01/18 12/31/18	078-6320-480	763,115	205,224	-	-	684,601
2017 Municipal Aid - Various Streets						
01/01/17 12/31/17	078-6320-480	368,263	-	-	-	459,801
2016 Municipal Aid - Various Streets						
01/01/16 12/31/16	078-6320-481	337,592	-	-	-	305,890
2021 Municipal Aid - Various Streets						
01/01/21 12/31/21	078-6320-481	821,963	-	-	-	-
Police Overtime Motor Vehicles						
01/01/21 12/31/21	*	76,125	-	-	76,125	76,125
01/01/21 12/31/21	*	7,518	-	-	-	-
Safe Streets to Transit						
*	*	205,000	47,805	-	(17,203)	163,703
			253,029	-	88,495	
Local Freight Impact Fund (LFIF)						
*	*	3,850,000	-	-	14,874	14,874
			-	-	14,874	
Total Department of Transportation			\$ 253,029	\$ -	\$ 103,369	
TOTAL STATE FINANCIAL ASSISTANCE			\$ 667,989	\$ -	\$ 2,790,601	

* Not Available.

CITY OF BAYONNE
NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021. 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 15-08, *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.

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

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 \$750,000 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.

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

Section I - Summary of Auditor's Results

Financial Statements

As prescribed by NJ DLGS:

Unmodified on the Current Fund, Federal and State Grant Fund, Trust Funds, General Capital Fund, Parking Utility Operating Fund and Parking Utility Capital Fund

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Disclaimer on General Fixed Assets

According to GAAP: Adverse

Internal control over financial reporting:

1) Material weakness(es) identified?	✓	Yes	2021-001	<u>No</u>
				None
2) Significant deficiency(ies) identified?	✓	Yes	2021-002	<u>Reported</u>
Noncompliance material to financial statements noted?	✓	Yes	2021-001 2021-002	<u>No</u>

Federal Awards

Internal Control over major federal programs:

1) Material weakness(es) identified?	<u>Yes</u>	✓		<u>No</u>
				None
2) Significant deficiency(ies) identified?	<u>Yes</u>	✓		<u>Reported</u>

Type of auditor's report issued on compliance for major federal programs:

Qualified for the Coronavirus State and Local Fiscal Recovery Fund Grant, unmodified for all other major federal programs.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

✓ Yes 2021-003 No

Identification of major Federal programs:

Name of Federal Program or Cluster	Federal Assistance Listing Numbers
Coronavirus Aid, Relief, and Economic Security Act (CARES)	21.019
American Rescue Plan / Coronavirus State and Local Fiscal Recovery Fund Grant	21.027
Aging Cluster	93.044, 93.045, 93.053

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes ✓ No

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

**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

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

Unmodified for all major State programs.

Any audit findings disclosed that are required to be reported in accordance with NJ OMB 15-08, as	Yes	✓	No
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Identification of major State programs

Name of State Program	State Grant Number
Green Acres Trust	*

Dollar threshold used to distinguish between Type A and Type B Programs:	\$	750,000
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CITY OF BAYONNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

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.)

Finding 2021-001:

Material Weakness in Internal control

Noncompliance Material to Basic Financial Statements

Criteria: The City is required by N.J.A.C. 5:30-5.6 to establish and maintain a physical inventory of fixed assets of nonexpendable, tangible property. The reporting system must have a subsidiary ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets. Further, the subsidiary ledger is required to ensure that property records are maintained accurately, to reflect a description and source of the property, its ownership, the acquisition cost and date, the percentage of Federal participation in the acquisition, and the location, use, and condition of the property. This finding is repeated from the prior year.

Condition General fixed assets were not updated by the City in accordance with the requirements of the N.J.A.C. 5:30-5.6.

Context: Audit inquiry of City personnel determined the inventory was not updated in 2021. This finding has been repeated annually since 2017.

Cause: The City does not have procedures in place to maintain and update its general fixed assets inventory. Prior year inventory balances have been carried forward without the City performing an inventory assessment and without a process for recording additions and disposals.

Effect: The City's fixed asset inventory system is not in compliance with N.J.A.C. 5:30-5.6. If fixed asset maintenance procedures are not followed, the City's inventory is presumed to be materially misstated.

Recommendation: The City should make certain all physical asset additions and disposals are reflected in the accounting system.

Views of Responsible Officials of the City (unaudited):

The City is in the process of updating its fixed asset inventory. This will be completed no later than October 1, 2022. In addition, a fixed asset policy was put in place.

CITY OF BAYONNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

Section II - Schedule of Financial Statement Findings

Finding 2021-002

Significant Deficiency in Internal Control

Noncompliance Material to Basic Financial Statements

Criteria: N.J.S.A. 40A:11-4 requires every contract awarded by the City for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, to be awarded by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, with certain exceptions as allowed under various acts and laws, such as N.J.S.A. 40A:11-5 and N.J.S.A. 40A:11-12. In addition, NJSA 19:44A-20.4 establish guidelines for the award of contracts exceeding pay-to-play thresholds of \$17,500 and NJSA 40A:11-23.2 establishes requirements regarding the filing of Business Registration Certificates by vendors prior to contracts being awarded pursuant to the bid process.

Condition: Audit procedures identified the following conditions:

1. Two vendors were awarded contracts in excess of the City's 2021 bid threshold of \$40,000 without following the public bidding process.
2. One vendor was awarded and paid pursuant to two contracts without first obtaining a Business Registration Certificate (BRC) for the vendor. N.J.S.A. 40A:11-23.2 requires a BRC to be submitted prior to a contract being awarded pursuant to a bid.
3. The vendor identified in number 2 above was awarded a contract as the second lowest bidder. The awarding resolution indicates the lowest bid was determined by the Law Director to be "not a responsible bid", however, the Law Director's determination was not available for audit.
4. One vendor was awarded a professional services contract in excess of \$17,500 without either public solicitation of quotes or proposals in accordance with fair and open guidelines (N.J.S.A. 19:44A-20.5 et) or advertisement of the professional services award in accordance with non-fair and open guidelines (N.J.S.A. 40:A11-5(1)(a) and N.J.S.A. 19:44A-20.8 et).
5. Two instances were noted in which contracts were awarded (or goods or services ordered) in excess of the quote threshold of \$6,000 without proof that additional quotes were obtained. This includes the items noted in number 1 above for which the bid process was not followed.

Context: Audit procedures included a procurement test which sampled 40 vendors paid in excess of the City's bid threshold of \$40,000, sampling of vendors paid amounts between the pay to play threshold of \$17,500 and the City's bid threshold of \$40,000 (referred to as "window contracts") and a quote test in which 9 vendors paid in excess of the quote threshold of \$6,000 and they pay to play threshold. Each item sampled was for compliance with the applicable section of the Local Public Contracts Law (LPCL) for the

Effect: The City was not always in compliance with the LPCL.

CITY OF BAYONNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

Section II - Schedule of Financial Statement Findings

Finding 2021-002

(continued)

Cause: The City does not have sufficient internal controls in place to prevent contracts from being awarded in violation of the Local Public Contracts Law and Pay-to-Play laws.

Recommendation: The City should institute stronger internal control policies and procedures to reduce the likelihood that it awards contracts in violation of the Local Public Contracts Law and Pay-to-Play Law. The City should also regularly monitor aggregated amounts paid to vendors and publicly advertise for bids when such amounts are expected to reach pertinent thresholds.

Views of Responsible Officials of the City:

The City has established procedures and is distributing a manual outlining the process. Also, a resolution has been adopted by the Municipal Council authorizing the maximum allowable bid threshold.

CITY OF BAYONNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

**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 15-08.)

Finding 2021-003:

Noncompliance of Major Program – (L) Reporting

- U.S. Department of Treasury
 Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – Assistance Listing No 21.027

Criteria: Pursuant to Subpart L of the Uniform Guidance, the City is required to include in its Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Compliance Report all grant activity of the reporting period within the Project and Expenditure section.

Condition: The City reported \$2,153,286 of SLFRF Program expenditures on its 2021 SLFRF Compliance Report. However, the City’s records identified \$3,681,649 of SLFRF Program expenditures.

Context: Audit observation and comparison of the City’s SLFRF budget line(s) to the 2021 SLFRF Compliance Report identified the discrepancy.

Cause: The City did not reconcile internal expenditure records with amounts reported in the 2021 SLFRF Compliance Report.

Effect: The City’s 2021 SLFRF Compliance Report was understated by \$1,528,363.

Questioned Costs: None.

Recommendation: The City should reconcile internal expenditure records with grant program expenditure reports prior to submission in order to provide reasonable assurance that all activity within the reporting period is properly reflected on reports sent to State or Federal agencies. The City should revise its 2021 SLFRF Compliance Report in the SLFRF Portal.

Views of Responsible Officials of the City (unaudited):

The City was aware of this error. However, the SLFRF portal was closed and we were unable to correct. When the portal opens up for the next quarterly report, this will be reconciled.

CITY OF BAYONNE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021

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 2020-001, 2019-001, 2018-002, 2017-002

Material Weakness in Internal Control

Noncompliance Material to Basic Financial Statements

Condition: The City is required by N.J.A.C. 5:30-5.6 to establish and maintain a physical inventory of fixed assets of nonexpendable, tangible property. The reporting system must have a subsidiary ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets. Further, the subsidiary ledger is required to ensure that property records are maintained accurately, to reflect a description and source of the property, its ownership, the acquisition cost and date, the percentage of Federal participation in the acquisition, and the location, use, and condition of the property. Some assets on the fixed assets inventory could not be verified by physical inspection. The City's asset tagging and transfer policy are not being followed by department personnel. The city has no formal disposal policy in place.

Current Year Status: This finding is repeated in the current year as Finding 2021-001.

CITY OF BAYONNE

REPORT OF AUDIT

**SUPPLEMENTARY INFORMATION:
LETTER OF COMMENTS AND
RECOMMENDATIONS**

**CITY OF BAYONNE
GENERAL COMMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2021

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 \$40,000. The City has appointed a Qualified Purchasing Agent and has passed a resolution raising its bid threshold to the maximum allowable amount of \$40,000.

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 \$40,000 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:

- Improvements to Dennis P. Collins Park Phase II
- Solid Waste Removal and Processing
- Recycling Collection
- Improvements to 28th Street Park
- BEOF Former Holy Family Academy Renovation

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 \$40,000, "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.”

**CITY OF BAYONNE
GENERAL COMMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2021

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, including:

- N.J.S.A. 40A:11-5.1(dd), the provision or performance of goods or services for the support or maintenance of proprietary computer hardware and software, except that this provision shall not be utilized to acquire or upgrade non-proprietary hardware or to acquire or update non-proprietary software;
- N.J.S.A. 40A:11-5.1(f), the supplying of any product or the rendering of any service by a public utility, which is subject to the jurisdiction of the Board of Public Utilities or the Federal Energy Regulatory Commission or its successor, in accordance with tariffs and schedules of charges made, charged or exacted, filed with the board or commission, and
- N.J.S.A. 40A:11-5.1(x) The printing of municipal ordinances or other services necessarily incurred in connection with the revision and codification of municipal ordinances.

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:

**CITY OF BAYONNE
GENERAL COMMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2021

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 \$6,000 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:

<u>Year Ended</u>	<u>Number of Liens</u>
Dec. 31, 2021	11
Dec. 31, 2020	11
Dec. 31, 2019	11
Dec. 31, 2018	11
Dec. 31, 2017	11

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 2022 budget no orders which exceeded 20% of the originally awarded contract during 2021.

**CITY OF BAYONNE
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

FINDING 2021-001: Fixed Assets

This finding is detailed in Section II – Schedule of Financial Statement Findings, found on page 185.

FINDING 2021-002: Purchasing – Bid Exceptions

This finding is detailed in Section II – Schedule of Financial Statement Findings, found on page 186.

FINDING 2021-003: Single Audit - Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

This finding is detailed in Section III – Schedule of Federal Awards and State Financial Assistance - Findings and Questioned Costs, found on page 188.

FINDING 2021-004: Business Registration Certificates

Of an audit sample of 40 vendors, ten instances were noted in which the City paid vendors in excess of 15% of the bid threshold without first obtaining a Business Registration Certificate (BRC), as required by P.L. 2004, c.57. In each instance the BRC was obtained subsequent to year end.

Recommendation: The City should obtain and retain Business Registration Certificates for all vendors paid in excess of 15% of the City’s bid threshold.

FINDING 2021-005: IRC Form 1099

Of an audit sample of 40 vendors paid in excess of \$600, audit procedures identified 6 instances in which the City did not issue 1099’s for vendors that were required to receive them. In addition, audit procedures could not determine whether the City is in compliance with Internal Revenue Code (IRC) requirements regarding the filing of Form 1099, because information, such as a Form W-9, which would provide the necessary vendor information to make such a determination, was not obtained from the vendor.

Recommendation: The City should require vendors to provide information, such as Form W-9, to assist in determining whether a Form 1099 is required to assure compliance with requirements of the Internal Revenue Code (IRC).

FINDING 2021-006: Tax Deductions

Of 25 Senior Citizen deductions tested, the City did not remove the deduction for one property sold and for which the new owners did not qualify for the Senior Citizen tax deduction. In another instance, the City could not provide the application for a property receiving the Senior Citizen tax deduction.

Recommendation: The Tax Collector’s office should disallow all deductions for ineligible property owners. The City should institute procedures to follow up on sold or transferred properties to make certain no deductions are carried forward to new owners who may be ineligible. In addition, original applications should be retained for audit review.

**CITY OF BAYONNE
COMMENTS AND RECOMMENDATIONS**

FOR THE YEAR ENDED DECEMBER 31, 2021

FINDING 2021-007: Tax Abatements

N.J.S.A. 40A:20-9(d) requires urban renewal entities (URE) that enter into long term tax exemption agreements with the City to submit audit reports annually within 90 days after close of the URE's fiscal year. Of ten abatements sampled, the City did not have two audits on file. In addition, the City billed a URE an amount that was not supported by the financial agreement provided to auditors as supporting documentation.

Recommendation: The City should make certain all urban renewal entities with financial agreements for long term exemptions annually submit audits as required by N.J.S.A. 40A:20-9(d) and consider enforcing remedies to the City for noncompliant urban renewal entities as allowed under the law. The City should make certain all service charges billed to entities are supported by abatement agreement.

FINDING 2021-008: Health Benefits

Of a sample of 60 employees selected for compliance testing with the Public Laws of 2011, Chapter 78 (P.L. 2011 C.78) regarding the calculation of employee health benefit contributions, six instances were noted in which the amounts deducted for employee contributions did not agree with the amounts recalculated by the auditor.

Recommendation: The City should make certain it is properly calculating and deducting employee health benefit contributions in accordance with P.L. 2011 C.78.

FINDING 2021-009: Surety Bonds

N.J.A.C. 5:30-8.3 requires each tax collector to be bonded with a surety bond in accordance with thresholds established by statute. N.J.A.C. 5:30-8.4 requires every municipal court judge and municipal court administrator to be bonded with a surety bond in accordance with thresholds established by statute. The City did not provide evidence of a surety bond for its Tax Collector, newly appointed Judge and court administrator that held the position through September 2021.

Recommendation: The City must maintain proper surety bond coverage for its tax collector as outlined in N.J.A.C. 5:30-8.3 and N.J.A.C. 5:30-8.4, and not permit such coverage to lapse for any period of time.

FINDING 2021-010: Municipal Court – Record Retention

Of 25 Municipal Court cancelled check images, 25 general disbursement files and 12 expunged files requested for audit sampling, the Municipal Court did not provide 10 cancelled check images, 1 general disbursement file and one expunged file. The Municipal Court must retain these records in accordance with retention periods as put forth in the Judiciary – State of New Jersey Records Retention Schedule.

Recommendation: The Municipal Court should retain cancelled check images, general disbursement files and expunged files for the minimum statutory retention periods as put forth in the Judiciary – State of New Jersey Records Retention Schedule.

**CITY OF BAYONNE
COMMENTS AND RECOMMENDATIONS**

FOR THE YEAR ENDED DECEMBER 31, 2021

FINDING 2021-011: Municipal Court – Ticket Controls

Internal control policies and procedures over unassigned ticket books are not in place. Ticket book inventory is not safeguarded and is accessible to police officers. The Municipal Court would assign the tickets after they were issued by police officers. The extent of the inventory unaccounted for, if any, cannot be determined.

Recommendation: The Municipal Court should safeguard ticket book inventory through the establishment of internal control policies and procedures. Ticket books should be properly and formally assigned prior to the issuance of tickets.

FINDING 2021-012: Municipal Court – Cash Reconciliations

There are numerous reconciling items on Municipal Court bank reconciliations including unrecorded checks and receipts of \$3,580 and \$99, respectively; duplicate recording of receipts in the amounts of \$647 and \$250, and a 2021 beginning balance adjustment which is unresolved from prior year(s).

Recommendation: The Municipal Court should thoroughly review all entries made and agree them to the bank statement while preparing monthly bank reconciliations. All errors should be adjusted at the end of each month to prevent balance carryover. Book balance should always match bank balance after reconciliation and all receipts and disbursements should be properly recorded and retained with supporting documents including, but not limited to, month end cashbook printout, bank statement, ongoing list of outstanding checks, receipts, deposit slips, paystubs, and any other support that explains potential differences.

FINDING 2021-013: Municipal Court – Case Management Backlog

The Case Management Worksheet indicates a backlog in Tickets Eligible for FTA over 14 days, Tickets Eligible for Dismissal, Tickets Eligible for Order of D/L Suspension, Complaints Eligible for FTA over 14 days and Complaints Held over 180 days. There were 8 Moving matters which were eligible for dismissal but had not been dismissed as of year-end. In addition, per the December Management Report, 25 Tickets Assigned but not issued over 181 days are reported, as well as 242 Tickets issued but not assigned report on the management report.

Recommendation: The Municipal Court should review these tickets and determine their disposition and remove them from the Automated Traffic System.

**CITY OF BAYONNE
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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.

Other Findings

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 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
