

CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY

REPORT OF AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2024

AND THE SIX MONTH TRANSITION YEAR ENDED
DECEMBER 31, 2023

CITY OF UNION CITY
 AUDIT OF FINANCIAL STATEMENTS
 DECEMBER 31, 2024

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CITY OF UNION CITY

REPORT OF AUDIT

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

The Honorable Mayor and Members
of the Board of Commissioners
City of Union City, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements – regulatory basis of the City of Union City, New Jersey (the “City”), which comprise the comparative balance sheets – regulatory basis, of each Fund and the comparative statements of General Fixed Assets – regulatory basis, as of December 31, 2024 and 2023, 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 the related statement of changes in Fund Balance – regulatory basis, of the General Capital Fund, for the years then ended, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each Fund and General Fixed Assets of the City as of December 31, 2024 and 2023, the respective operations and changes in fund balance – regulatory basis, revenues – regulatory basis and appropriations – regulatory basis of the Current Fund, the changes in fund balance – regulatory basis of the General Capital Fund, for the years then ended, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” section of our report, the financial statements referred to above 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, 2024 and 2023, and 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 meet 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.

Emphasis of a Matter Regarding Fiscal Year Reversion

As described in Note 1, the fiscal year ended June 30, 2023 was the City's final fiscal year ending on June 30. The City has reverted to a fiscal year based on a calendar year, the first of which encompasses the current period under audit: January 1, 2024 through December 31, 2024. In order to implement this reversion, the City, in accordance with State Law, operated on a six month Transition Year for the period July 1, 2023 through December 31, 2023. Financial statement dates noted herein of December 31, 2023 represent six months, but are referred to as a "year" as State Law refers to this six month period as a Transition Year. Our opinion on the basic financial statements is not affected by this change in fiscal year.

Responsibility 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 Responsibility 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

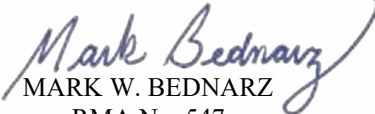
Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, 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 June 16, 2025, 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

Secaucus, New Jersey
June 16, 2025

CITY OF UNION CITY

REPORT OF AUDIT

**FINANCIAL SECTION:
CURRENT FUND FINANCIAL STATEMENTS**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>			
Current Fund:			
Cash and Cash Equivalents	A-4	\$ 11,344,528	\$ 7,301,602
Change Fund	A-5	398	398
		<u>11,344,926</u>	<u>7,302,000</u>
Intergovernmental Receivable:			
Due from State of NJ:			
Senior & Veteran Deductions	A-12	12,250	14,092
Prepaid Debt Service - Qualified Bonds	A-6a	1,270,044	1,198,414
		<u>1,282,294</u>	<u>1,212,506</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-7	65,359	40,399
Tax Title Liens Receivable	A-13	36,416	35,400
Relocation Assistance Receivable	A-9	131,918	228,990
Revenue Accounts Receivable	A-10	1,335,264	2,785,558
Interfunds Receivable:			
Due from Federal and State Grants Fund	A-11	-	18,718
Other Receivables	A-14	2,303,387	2,299,018
		<u>3,872,344</u>	<u>5,408,083</u>
Deferred Charges:			
Emergency Authorizations (N.J.S. 40A:4-47)		-	1,210,000
Special Emergency Authorizations (N.J.S. 40A:4-53)		4,367,886	4,838,587
Budget Deficit		-	886,337
Overexpenditures		3,208,607	8,277,756
COVID-19 Revenue loss		690,270	1,035,500
Health Insurance & Solid Waste Removal (COVID)		2,187,600	3,283,600
	A-23	<u>10,454,363</u>	<u>19,531,780</u>
Total Current Fund Assets		<u>26,953,927</u>	<u>33,454,369</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-4	2,287,661	1,821,867
Federal and State Grants Receivable	A-25	24,777,364	18,538,242
Total Federal and State Grant Fund Assets		<u>27,065,025</u>	<u>20,360,109</u>
Total Assets		<u>\$ 54,018,952</u>	<u>\$ 53,814,478</u>

See Accompanying Notes to the Financial Statements.

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	Ref.	2024	2023
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Liabilities and Reserves:			
Appropriation Reserves	A-3, A-15	\$ 372,780	\$ 1,413,564
Tax Overpayments	A-8	11,350	8,946
Interfunds Payable:			
Due to General Capital Fund	A-11	-	4,552,090
Intergovernmental Payables	A-16	60,193	14,923
Reserve for Liquor License Retirement	A-17	72,340	58,715
Prepaid Taxes	A-18	510,958	558,171
County Added and Omitted Taxes Payable	A-20	23,573	47,756
Accounts Payable	A-21	434,118	507,265
Reserve for Retro Pay	A-18a	374,000	-
Reserve for Encumbrances	A-22	6,039,530	5,043,797
Special Emergency Notes Payable	A-24	3,156,000	6,493,000
Total Liabilities and Reserves		<u>11,054,842</u>	<u>18,698,227</u>
Reserve for Receivables		3,872,344	5,408,083
Fund Balance	A-1	<u>12,026,741</u>	<u>9,348,059</u>
Total Current Fund Liabilities, Reserves and Fund Balance		<u>26,953,927</u>	<u>33,454,369</u>
Federal and State Grant Fund:			
Liabilities and Reserves:			
Reserve for Encumbrances	A-22	1,884,826	676,727
Reserve for State and Federal Grants:			
Appropriated	A-26	25,137,490	19,629,330
Unappropriated	A-28	42,709	35,334
Interfunds Payable:			
Due to Current Fund	A-27	-	18,718
Total Federal and State Grant Fund Liabilities and Reserves		<u>27,065,025</u>	<u>20,360,109</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 54,018,952</u>	<u>\$ 53,814,478</u>

See Accompanying Notes to the Financial Statements.

**CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
AND THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2024
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
- REGULATORY BASIS**

EXHIBIT A-1
Sheet 1 of 2

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Revenue and Other Income Realized</u>			
Miscellaneous Revenue Anticipated	A-2	\$ 110,449,780	\$ 45,999,998
Receipts from Delinquent Taxes	A-2	20,081	12,840
Receipts from Current Taxes	A-2	122,418,101	61,089,271
Non-Budget Revenues	A-2	544,259	1,004,964
Other Credits to Income:			
Other Receivables Returned	A-14	2,299,018	483,366
Unexpended Balance of Appropriation Reserves	A-15	601,297	109,924
Accounts Payable Cancelled	A-21	43,365	-
Dog License Fund - Statutory Excess	A-11	10,412	-
Cancelled Grants	A-11	-	837
Prior Year Interfunds Returned	A-11	18,718	11,864
		<u>236,405,031</u>	<u>108,713,064</u>
<u>Expenditures</u>			
Budget Appropriations:			
Appropriations within "CAPS"			
Salaries and Wages		46,034,546	24,411,256
Other Expenses		57,741,104	34,473,626
Deferred Charges and Statutory Expenditures		15,315,875	2,101,009
Appropriations excluded from "CAPS"			
Operations			
Salaries and Wages		5,673,921	2,587,998
Other Expenses		49,751,797	19,721,231
Capital Improvements		1,000,000	7,000,000
Debt Service		9,658,185	7,140,547
Deferred Charges		11,025,490	1,210,000
Total Budget Appropriations	A-3	<u>196,200,918</u>	<u>98,645,667</u>
Local School District Taxes	A-2, A-19	15,418,637	6,167,455
County Taxes	A-2, A-20	22,804,653	9,875,001
Due County for Added and Omitted Taxes	A-2, A-20	23,573	47,756
Other Receivable Advances	A-14	2,303,387	2,299,018
Grant Receivable Writeoffs	A-11	434,742	-
Interfund Advances Originating in Current Year		-	18,718
State Audit Adjustment for Senior and Veterans Deductions	A-12	250	-
Refund of Prior Year Revenue	A-4	201,841	144,477
		<u>237,388,001</u>	<u>117,198,092</u>
Deficit in Revenue		<u>982,970</u>	<u>8,485,028</u>

See Accompanying Notes to the Financial Statements.

**CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
AND THE SIX MONTH TRANSITION YEAR ENDED DECEMBER 31, 2024
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
- REGULATORY BASIS**

EXHIBIT A-1
Sheet 2 of 2

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Special Emergencies	A-23	\$ 1,084,279	\$ 7,598,691
Overexpenditures	A-23	<u>2,577,373</u>	<u>-</u>
Statutory Excess to Fund Balance		2,678,682	
Deficit in Operations to be Raised in Budget of Succeeding Year			<u>\$ 886,337</u>
Fund Balance, Beginning of Year	A	<u>9,348,059</u>	<u>9,348,059</u>
Fund Balance, End of Year	A	<u>\$ 12,026,741</u>	<u>\$ 9,348,059</u>

See Accompanying Notes to the Financial Statements.

STATEMENT OF REVENUES - REGULATORY BASIS

	Budget as Adopted	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	\$ 27,680	\$ -	\$ 228,411	\$ 200,731
Other	31,242	-	121,720	90,478
Fees and Permits	184,046	-	202,511	18,465
Fines and Costs - Municipal Court	1,731,800	-	1,850,799	118,999
Interest and Costs on Taxes	196,126	-	249,213	53,087
Interest on Investments and Deposits	1,543,220	-	965,648	(577,572)
Wedding Fees	38,606	-	43,709	5,103
City Share of Police Details	115,444	-	105,950	(9,494)
Public Telephone Commissions	103,582	-	91,555	(12,027)
Cable Franchise Fees	194,921	-	179,421	(15,500)
Payment in Lieu of Taxes:				
Union Plaza Apartments	337,585	-	379,274	41,689
Palisade Urban Renewal Assoc.	43,321	-	60,710	17,389
Holy Rosary	29,845	-	30,976	1,131
Horizon Heights	15,460	-	15,211	(249)
Serv Properties	939	-	13,440	12,501
Suede Promotions	20,000	-	15,000	(5,000)
Monastery Redevelopment Group LLC	39,451	-	39,391	(60)
	<u>4,653,268</u>	<u>-</u>	<u>4,592,939</u>	<u>(60,329)</u>
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	-	-	-	-
Energy Receipts Taxes	22,741,715	-	22,741,715	-
Transitional Aid	41,906,886	-	41,906,886	-
Transitional Aid - Supplemental	6,819,280	-	6,819,280	-
	<u>71,467,881</u>	<u>-</u>	<u>71,467,881</u>	<u>-</u>
Dedicated Uniform Construction Code Fees Offset with Appropriations:				
Uniform Construction Code Fees	1,441,042	-	1,491,559	50,517
Special Items of Revenue - Shared Service Agreements				
Union City Board of Education:				
Solid Waste Removal	522,904	-	392,180	(130,724)
47th Street Pool	136,000	-	181,334	45,334
Lease Recreational Center	450,000	-	450,000	-
Off Duty Police Officers	100,000	414,938	796,120	281,182
Police Services - SLEO III's	1,460,832	-	718,548	(742,284)
Police Services - School Resource	425,724	531,308	1,004,561	47,529
School Crossing Guards	4,039,484	-	4,590,053	550,569
	<u>7,134,944</u>	<u>946,246</u>	<u>8,132,796</u>	<u>51,606</u>

STATEMENT OF REVENUES - REGULATORY BASIS

	Budget as Adopted	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues (continued):				
Special Items of Revenue - Public and Private Revenues				
National Opioid Settlement	\$ 970,110	\$ 49,302	\$ 1,019,412	\$ -
Spotted Lanternfly Grant	20,000	-	20,000	-
Municipal Alliance on Alcoholism and Drug Abuse	21,005	-	21,005	-
Drug-Free Communities	-	125,000	125,000	-
Recycling Tonnage	29,987	-	29,987	-
Distracted Driver Crackdown	12,250	-	12,250	-
Body Armor Replacement Fund	10,930	13,119	24,049	-
Clean Communities	118,532	-	118,532	-
DOT: LAIF 2024 Road Improvement 37th and 38th St.	1,700,000	-	1,700,000	-
DCA Social Services Grant	5,000,000	-	5,000,000	-
HC History Patnership Program Grant Funding	9,900	-	9,900	-
HC Local Arts Program	5,874	-	5,874	-
Alcohol Education	3,065	-	3,065	-
NJACCHO	168,049	-	168,049	-
DOT Hudson Avenue Improvements	4,000,000	-	4,000,000	-
DOT 39th Street Bergenline Ave to Kennedy Blvd	4,500,000	-	4,500,000	-
Plug in Electric Vehicle Charging Stations	24,000	-	24,000	-
Click It or Ticket	10,500	-	10,500	-
Energy Efficiency & Conservation Block Grant	123,130	-	123,130	-
Urban Enterprize Zone Assistance Fund - Bergenline Streetscape (37th & 43rd)	- 1,774,933	1,811,223 -	1,811,223 1,774,933	- -
Strengthening Local Public Health Capacity Program 202	74,664	-	74,664	-
Bulletproof Vest Program	-	32,607	32,607	-
Green Acres 4100 Palisade Ave Acq.	-	886,000	886,000	-
Sustained Enforcement Grant	-	52,000	52,000	-
NIBRS Compliance Grant	-	75,000	75,000	-
Justice Assistance Grant - 2023	-	26,567	26,567	-
Justice Assistance Grant - 2024	-	32,408	32,408	-
Hudson County Open Space - 4100 Palisade Ave Soccer Field	- -	216,000 500,000	216,000 500,000	- -
Liberty Place Playground	-	-	-	-
	<u>18,576,929</u>	<u>3,819,226</u>	<u>22,396,155</u>	<u>-</u>
Special Items of Revenue - Other				
Rental Income Teamsters Building (3 Months)	33,775	-	120,629	86,854
Emergency Medical Services	1,082,382	-	1,752,344	669,962
Reserve for Debt Service	29,007	-	29,007	-
Five Year Abatement Program	699,039	-	466,470	(232,569)
	<u>1,844,203</u>	<u>-</u>	<u>2,368,450</u>	<u>524,247</u>
Total Miscellaneous Revenues	105,118,267	4,765,472	110,449,780	566,041
Receipts From Delinquent Taxes	<u>16,481</u>	<u>-</u>	<u>20,081</u>	<u>3,600</u>
Subtotal General Revenues	<u>105,134,748</u>	<u>4,765,472</u>	<u>110,469,861</u>	<u>569,641</u>
Amount to Be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	\$ 83,508,621	\$ -	\$ 83,564,564	\$ 55,943
Minimum Library Tax	1,798,924	-	1,798,924	-
	<u>85,307,545</u>	<u>-</u>	<u>85,363,488</u>	<u>55,943</u>
Total Budget Revenues	190,442,293	4,765,472	195,833,349	625,584
Non-Budget Revenues	<u>-</u>	<u>-</u>	<u>544,259</u>	<u>544,259</u>
Total General Revenues	<u>\$ 190,442,293</u>	<u>\$ 4,765,472</u>	<u>\$ 196,377,608</u>	<u>\$ 1,169,843</u>
	A-3	A-3		

STATEMENT OF REVENUES - REGULATORY BASIS

	Budget as Adopted	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Analysis of Budget Revenue Realized				
Allocation of Current Taxes				
Cash Receipts	A-4	\$ 116,834,807		
State ARP Disaster Recovery Mitigation Funds	A-4	3,000,000		
State REAP Aid	A-6a	2,000,000		
Applied from Tax Overpayments	A-8	2,123		
Revenue from Collections	A-7	121,836,930		
Add: Current Year Taxes Collected in Prior Year	A-7, A-18	558,171		
Add: State Share of Deductions	A-7, A-12	23,000		
	A-1	122,418,101		
Add: Reserve for Uncollected Taxes	A-3	1,192,250		
		123,610,351		
Less: Allocated to School Taxes	A-1, A-19	15,418,637		
Allocated to County Taxes	A-1, A-20	22,828,226		
Amount for Support of Municipal Budget			\$ 85,363,488	
Receipts from Delinquent Taxes				
Delinquent Tax Collections	A-7	21,913		
State Share of Prior Year Deductions	A-7, A-12	(1,832)		
	A-1, A-7		20,081	
Miscellaneous Revenues Anticipated				
Cash Receipts	A-10	16,556,737		
Revenues from Other Funds, Reserves and Deposits	A-10	29,007		
State Aid	A-6a	71,467,881		
Grant Revenue - As Adopted	A-11	18,576,929		
Grant Revenue - Added by NJSA 40A:4-87	A-11	3,819,226		
Total Miscellaneous Revenues	A-1		110,449,780	
Surplus Anticipated	A-1		-	
Total Budget Revenues Anticipated			\$ 195,833,349	
Analysis of Non-Budget Revenue				
Received in Cash				
Copies of Reports			\$ 49,219	
31st Street Parking Lot			6,300	
Bus Shelter Rent			3,000	
Sale of Assets			10,000	
Police Detail Admin Fee			214,795	
Rent - Foreclosed Property Fees			21,000	
Motor Vehicle Inspection Fines			175	
Refunds			3,275	
Miscellaneous			13,714	
Prior Year Municipal Lien Receipts			11,567	
Unclaimed Funds			67,653	
HCIA Trust Account Balance in Debt Service Fund to City			103,275	
Void Prior Year Accounts Payable Checks			10,826	
Tax Lien Judgment			29,000	
2% Admin payment-Sr Citizen/Vets			460	
	A-1, A-4		\$ 544,259	

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Cancelled	Over Expended
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
(A) Operations - Within "CAPS"							
Department of Public Affairs:							
Director's Office							
Salaries and Wages	\$ 372,885	\$ 375,051	\$ 375,051	\$ -	\$ -	\$ -	\$ -
Other Expenses	4,500	1,176	1,123	53	-	-	-
Municipal Court							
Salaries and Wages	1,282,200	1,229,642	1,229,642	-	-	-	-
Other Expenses	185,000	244,572	201,159	43,413	-	-	-
Public Defender							
Other Expenses	80,000	81,600	69,350	12,250	-	-	-
Senior Citizens							
Salaries and Wages	672,000	700,072	700,072	-	-	-	-
Other Expenses	32,000	45,300	45,300	-	-	-	-
Hispanic/Cultural Affairs							
North Hudson Council of Mayors							
Other Expenses	100,000	100,000	66,507	22,169	11,324	-	-
Municipal Land Use Law (NJS 40:55D-1)							
Regional Planning Board							
Salaries and Wages	22,503	22,503	22,500	-	3	-	-
Other Expenses	20,000	63,709	47,555	15,385	769	-	-
Continuous Planning Program	70,000	79,163	74,634	4,529	-	-	-
Celebration of Public Events							
Other Expenses	167,000	121,807	121,807	-	-	-	-
Department of Revenue and Finance:							
Director's Office							
Salaries and Wages	15,520	15,520	15,500	-	20	-	-
Other Expenses	2,500	985	985	-	-	-	-
City Clerk's Office							
Salaries and Wages	406,500	442,098	442,098	-	-	-	-
Other Expenses	100,000	118,588	94,760	20,192	3,636	-	-
Treasurer's Office							
Salaries and Wages	415,000	422,025	418,639	-	3,386	-	-
Other Expenses	616,336	668,843	607,341	61,502	-	-	-
Assessment of Taxes							
Salaries and Wages	412,000	420,120	420,120	-	-	-	-
Other Expenses	20,000	17,143	17,143	-	-	-	-
Collection of Taxes							
Salaries and Wages	250,000	258,159	258,159	-	-	-	-
Other Expenses	25,000	29,098	23,638	5,460	-	-	-
Central Purchasing							
Salaries and Wages	207,000	227,947	227,947	-	-	-	-
Other Expenses	10,000	6,916	6,271	645	-	-	-
Rent Control Board							
Salaries and Wages	319,000	322,381	322,381	-	-	-	-
Other Expenses	15,000	23,312	16,966	6,346	-	-	-
Insurance							
General Liability	2,680,962	2,755,187	2,705,187	50,000	-	-	-
Workers Compensation	2,231,675	2,377,378	2,352,378	25,000	-	-	-
Employee Group Health	26,179,086	26,179,086	26,088,536	387,007	-	-	296,457
Tax Searches							
Salaries and Wages	5,000	5,000	5,000	-	-	-	-
Elections							
Salaries and Wages	10,000	2,123	2,123	-	-	-	-
Other Expenses	245,000	245,599	236,034	9,565	-	-	-
Membership NJ League of Municipalities							
Other Expenses	4,600	4,600	4,554	-	46	-	-
Annual Audit							
Other Expenses	95,000	95,000	-	95,000	-	-	-
Printing - All Departments							
Other Expenses	592,789	575,508	510,868	64,640	-	-	-
Photocopying							
Other Expenses	55,000	51,708	51,011	697	-	-	-
Tax Sale Costs							
Other Expenses	10,000	10,000	-	-	10,000	-	-
Department of Revenue and Finance:							
Postage-All Departments							
Other Expenses	450,000	482,178	480,058	2,120	-	-	-
Data Processing							
Other Expenses	20,000	18,193	18,193	-	-	-	-

See Accompanying Notes to the Financial Statements.

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Cancelled	Over Expended
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
(A) Operations - Within "CAPS"							
Department of Parks and Public Property:							
Director's Office							
Salaries and Wages	\$ 158,000	\$ 183,104	\$ 183,104	\$ -	\$ -	\$ -	\$ -
Other Expenses	5,000	5,065	5,065	-	-	-	-
Department of Public Safety:							
Director's Office							
Salaries and Wages	704,000	726,855	709,776	-	17,079	-	-
Other Expenses	200,000	222,540	210,869	11,671	-	-	-
Weddings							
Salaries and Wages	30,000	41,775	41,775	-	-	-	-
Legal Department							
Salaries and Wages	290,700	294,542	294,542	-	-	-	-
Other Expenses	1,825,000	1,825,000	2,059,318	275,658	-	-	509,976
Police Department							
Salaries and Wages	25,011,041	23,429,015	23,428,649	-	366	-	-
Overtime	1,200,000	1,520,599	1,518,586	-	2,013	-	-
Other Expenses	1,100,000	1,119,623	961,217	158,406	-	-	-
Traffic Signs and Safety							
Other Expenses	100,000	102,166	102,166	-	-	-	-
Emergency Management Services							
Salaries and Wages	33,505	33,505	33,500	-	5	-	-
Other Expenses	5,000	7,533	7,343	190	-	-	-
Emergency Medical Services							
Salaries and Wages	3,155,000	3,005,163	3,005,163	-	-	-	-
Other Expenses	135,000	135,000	90,372	42,742	1,886	-	-
Life Hazard Use Fee-Uniform Fire Safety							
Other Expenses	30,000	13,317	13,317	-	-	-	-
Fleet Maintenance							
Other Expenses	800,000	805,774	790,874	14,900	-	-	-
Contribution to UCRA	60,000	60,000	60,000	-	-	-	-
Board of Health							
Salaries and Wages	49	49	-	-	49	-	-
Welfare							
Relocation Assistance	-	(9,200)	(10,900)	-	1,700	-	-
Department of Public Works:							
Director's Office							
Salaries and Wages	280,000	300,569	300,569	-	-	-	-
Other Expenses	55,500	262,394	260,604	1,790	-	-	-
Street Cleaning							
Salaries and Wages	6,324,000	6,358,178	6,357,317	-	861	-	-
Other Expenses	233,600	290,650	288,894	1,756	-	-	-
Streets Repairs and Maintenance							
Other Expenses	172,174	190,037	148,676	41,361	-	-	-
Snow Removal							
Salaries and Wages	100,000	29,272	29,272	-	-	-	-
Other Expenses	200,000	109,705	104,615	5,090	-	-	-
Board of Adjustment							
Salaries and Wages	22,000	22,000	22,000	-	-	-	-
Other Expenses	47,000	56,959	51,808	5,151	-	-	-
Solid Waste Disposal							
Salaries and Wages	1,390,000	1,358,569	1,357,025	-	1,544	-	-
Other Expenses	4,880,364	4,620,364	4,080,987	258,109	281,268	-	-
UEZ Operations							
Other Expenses	-	10,577	10,577	-	-	-	-
Engineering Services							
Other Expenses	1,800,000	1,800,000	2,451,391	22,473	-	-	673,864
Public Assistance							
Other Expenses	-	-	225,270	1,500	-	-	226,770
(A) Operations - Within "CAPS"							
Department of Parks and Public Property:							
Parks and Playgrounds							
Other Expenses	650,000	842,598	725,898	116,700	-	-	-
Public Buildings and Grounds							
Salaries and Wages	1,400,000	1,433,577	1,433,577	-	-	-	-
Other Expenses	920,000	1,277,894	1,203,511	73,513	870	-	-
Recreation							
Salaries and Wages	750,000	1,026,123	1,026,123	-	-	-	-
Other Expenses	550,000	416,050	365,559	50,491	-	-	-

See Accompanying Notes to the Financial Statements.

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Cancelled	Over Expended
	Adopted Budget	Budget After Modification		Encumbered	Reserved		
(A) Operations - Within "CAPS"							
Uniform Construction Code:							
State Uniform Construction Code Officials:							
Salaries and Wages	\$ 1,440,000	\$ 1,588,457	\$ 1,588,457	\$ -	\$ -	\$ -	\$ -
Other Expenses	350,000	349,159	278,387	70,772	-	-	-
Department of Parks and Public Property:							
Sub-Code Officials:							
Electrical Inspector							
Salaries and Wages	40,000	40,750	40,750	-	-	-	-
Fire Inspector							
Salaries and Wages	280,000	199,803	199,803	-	-	-	-
Other Expenses	30,000	30,000	29,444	556	-	-	-
Unclassified:							
Retirement Benefits	300,000	1,084,279	1,084,279	-	-	-	-
Gasoline	700,000	572,638	517,638	55,000	-	-	-
Telephone	325,000	348,117	339,934	8,183	-	-	-
Electricity	2,500,000	3,692,227	4,562,533	-	-	-	870,306
Water	595,000	442,630	441,046	1,584	-	-	-
Sewer	125,000	83,986	83,986	-	-	-	-
Total Operations within "CAPS"	99,702,989	101,198,277	101,395,256	2,043,569	336,825	-	2,577,373
Detail:							
Salaries and Wages	46,997,903	46,034,546	46,009,220	-	25,326	-	-
Other Expenses	52,705,086	55,163,731	55,386,036	2,043,569	311,499	-	2,577,373
Deferred Charges and Statutory Expenditures -							
Deferred Charges - Municipal Within "CAPS"							
Overexpenditures	1,458,476	1,458,476	1,458,476	-	-	-	-
Prior Year Bill-Reporting System NJ NIBF	6,000	6,000	-	-	-	6,000	-
Prior Year Bills Florio & Kenny	76,809	76,809	76,809	-	-	-	-
Prior Year Bills Cleary Giacobbee	10,027	10,027	10,027	-	-	-	-
Prior Year Bill Donohue, Gironda & Doria	15,000	15,000	15,000	-	-	-	-
Statutory Expenditures - Contributions to:							
PERS	2,155,434	2,150,855	2,150,855	-	-	-	-
Social Security System	2,600,000	2,609,212	2,589,163	-	20,049	-	-
Consolidated Police and Firemen Pension Fund	12,438	12,438	12,438	-	-	-	-
PFRS	7,592,363	7,487,370	7,480,072	-	7,298	-	-
Unemployment Insurance	600,000	250,853	(116)	250,969	-	-	-
DCRP	320,000	358,498	358,498	-	-	-	-
	<u>14,846,547</u>	<u>14,435,538</u>	<u>14,151,222</u>	<u>250,969</u>	<u>27,347</u>	<u>6,000</u>	<u>-</u>
Cash Deficit of Preceding Year	886,337	886,337	886,337	-	-	-	-
Total General Appropriations for Municipal Purposes within "CAPS"	115,435,873	116,520,152	116,432,815	2,294,538	364,172	6,000	2,577,373
Other Operations Excluded from "CAPS"							
Free Public Library	1,798,924	1,798,924	1,798,924	-	-	-	-
North Hudson Fire & Rescue	22,179,624	22,179,624	18,529,209	3,641,807	8,608	-	-
Health Insurance	820,914	820,914	820,914	-	-	-	-
Garbage & Trash Removal & Disposal	1,020,486	1,020,486	1,020,486	-	-	-	-
Workers Compensation	470,950	470,950	470,950	-	-	-	-
Liability Insurance	118,638	118,638	118,638	-	-	-	-
	<u>26,409,536</u>	<u>26,409,536</u>	<u>22,759,121</u>	<u>3,641,807</u>	<u>8,608</u>	<u>-</u>	<u>-</u>
Shared Service Agreements:							
Union City Board of Education							
Solid Waste Removal	522,904	522,904	522,904	-	-	-	-
47th Street Pool	136,000	136,000	136,000	-	-	-	-
Recreation Center Lease	450,000	450,000	450,000	-	-	-	-
Snow Removal	-	-	-	-	-	-	-
Off Duty Police Officers	100,000	514,938	514,938	-	-	-	-
SLEO III Police Officers	1,460,832	1,460,832	686,581	-	-	774,251	-
Police Services - SRO	425,724	957,032	957,032	-	-	-	-
School Crossing Guards	4,039,484	4,039,484	3,244,136	103,185	-	692,163	-
Total Shared Service Agreements	7,134,944	8,081,190	6,511,591	103,185	-	1,466,414	-

See Accompanying Notes to the Financial Statements.

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended			Over Expended
	Adopted Budget	Budget After Modification		Encumbered	Reserved	Cancelled	
Public and Private Programs Offset by Revenue:							
Clean Communities	\$ 118,532	\$ 118,532	\$ 118,532	\$ -	\$ -	\$ -	\$ -
Click it or Ticket	10,500	10,500	10,500	-	-	-	-
Spotted Lanternfly Grant	20,000	20,000	20,000	-	-	-	-
Recycling Tonnage Grant	29,987	29,987	29,987	-	-	-	-
Body Armor Replacement Fund	10,930	10,930	10,930	-	-	-	-
Distracted Driving Crackdown - U Text U Drive U Pay	12,250	12,250	12,250	-	-	-	-
Municipal Alliance on Alcoholism & Drug Abuse							
Grant Award	21,005	21,005	21,005	-	-	-	-
Local Match	5,251	5,251	5,251	-	-	-	-
Drug-Free Communities							
Grant Award	-	125,000	125,000	-	-	-	-
DOT LAIF - 2024							
Road Improvement 37th & 38th	1,700,000	1,700,000	1,700,000	-	-	-	-
Alcohol Education	3,065	3,065	3,065	-	-	-	-
DCA Social Services Grant	5,000,000	5,000,000	5,000,000	-	-	-	-
Urban Enterprise Zone Assistance Fund	1,774,933	3,586,156	3,586,156	-	-	-	-
NJ Electric Vehicle Charging Grant	24,000	24,000	24,000	-	-	-	-
Energy Efficiency & Conservation Block Grant	123,130	123,130	123,130	-	-	-	-
National Opioid Settlement	970,110	970,110	970,110	-	-	-	-
HC History Partnership Program Grant	9,900	9,900	9,900	-	-	-	-
NJACCHO	168,049	168,049	168,049	-	-	-	-
Strengthening Local Public Health Capacity Program	74,664	74,664	74,664	-	-	-	-
NJDOT - Hudson Avenue	4,000,000	4,000,000	4,000,000	-	-	-	-
HC Local Arts Program	5,874	5,874	5,874	-	-	-	-
Bulletproof Vest Program	-	32,607	32,607	-	-	-	-
Green Acres 4100 Palisade Ave Acq.	-	886,000	886,000	-	-	-	-
Sustained Enforcement Grant	-	52,000	52,000	-	-	-	-
Body Armor Replacement Fund	-	13,119	13,119	-	-	-	-
Hudson County Open Space - 4100 Palisade Ave Soccer Field	-	216,000	216,000	-	-	-	-
Liberty Place Playground	-	500,000	500,000	-	-	-	-
National Opioid Settlement	-	49,302	49,302	-	-	-	-
NIBRS Compliance Grant	-	75,000	75,000	-	-	-	-
Justice Assistance Grant - 2023	-	26,567	26,567	-	-	-	-
Justice Assistance Grant - 2024	-	32,408	32,408	-	-	-	-
NJDOT 36th - 39th St Bergenline to JFK	4,500,000	4,500,000	4,500,000	-	-	-	-
	<u>18,582,180</u>	<u>22,401,406</u>	<u>22,401,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>52,126,660</u>	<u>56,892,132</u>	<u>51,672,118</u>	<u>3,744,992</u>	<u>8,608</u>	<u>1,466,414</u>	<u>-</u>
Other Operations Excluded from "CAPS"							
Detail:							
Salaries and Wages	6,194,089	7,140,335	5,570,736	103,185	-	1,466,414	-
Other Expenses	45,932,571	49,751,797	46,101,382	3,641,807	8,608	-	-
Capital Improvements Excluded from "CAPS":							
Capital Improvement Fund	1,000,000	1,000,000	1,000,000	-	-	-	-
Municipal Debt Service Excluded from "CAPS":							
Payment of Bond Principal	4,830,000	4,830,000	4,830,000	-	-	-	-
Bond Anticipation Notes	547,000	547,000	547,000	-	-	-	-
Interest on Bonds	1,635,112	1,635,112	1,635,111	-	-	1	-
Interest on Notes	1,006,317	1,006,317	1,006,317	-	-	-	-
Green Trust Loans:							
Swimming Pool	49,747	49,747	49,747	-	-	-	-
17th Street Park	4,353	4,353	4,353	-	-	-	-
Leggiero Music Park	36,697	36,697	36,697	-	-	-	-
Interest on Special Emergency Notes	298,011	298,011	298,011	-	-	-	-
Hudson County Improvement Authority:							
Capital Lease - Principal	826,216	826,216	826,216	-	-	-	-
Capital Lease - Interest	25,235	25,235	21,401	-	-	3,834	-
Capital Lease:							
Ambulance	134,359	134,359	134,359	-	-	-	-
Street Sweeper	54,216	54,216	54,216	-	-	-	-
Leasing of Vehicles	214,757	214,757	214,757	-	-	-	-
	<u>9,662,020</u>	<u>9,662,020</u>	<u>9,658,185</u>	<u>-</u>	<u>-</u>	<u>3,835</u>	<u>-</u>

See Accompanying Notes to the Financial Statements.

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended			Over Expended
	Adopted Budget	Budget After Modification		Encumbered	Reserved	Cancelled	
Deferred Charges - Municipal - Excluded from "CAPS":							
Special Emergency Authorization - 5 Years (N.J.S.A. 40A:4-55)	\$ 869,210	\$ 869,210	\$ 869,210	\$ -	\$ -	\$ -	\$ -
Overexpenditures -							
TY2023 Special Aid	6,819,280	6,819,280	6,819,280	-	-	-	-
Special Emergency Notes	3,337,000	3,337,000	3,337,000	-	-	-	-
	<u>11,025,490</u>	<u>11,025,490</u>	<u>11,025,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>73,814,170</u>	<u>78,579,642</u>	<u>73,355,793</u>	<u>3,744,992</u>	<u>8,608</u>	<u>1,470,249</u>	<u>-</u>
Total General Appropriations Excluded from "CAPS"	<u>73,814,170</u>	<u>78,579,642</u>	<u>73,355,793</u>	<u>3,744,992</u>	<u>8,608</u>	<u>1,470,249</u>	<u>-</u>
Subtotal General Appropriations	189,250,043	195,099,794	189,788,608	6,039,530	372,780	1,476,249	2,577,373
Reserve for Uncollected Taxes	<u>1,192,250</u>	<u>1,192,250</u>	<u>1,192,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 190,442,293</u>	<u>\$ 196,292,044</u>	<u>\$ 190,980,858</u>	<u>\$ 6,039,530</u>	<u>\$ 372,780</u>	<u>\$ 1,476,249</u>	<u>\$ 2,577,373</u>
				A-22	A		A-23
Adopted Budget	A-2	\$ 190,442,293	\$ 146,217,207	A-4	Cash Disbursements, Net of Refunds		
Added by NJSA 40A:4-87	A-2	4,765,472	1,192,250	A-2	Reserve for Uncollected Taxes		
Special Emergencies	A-23	1,084,279	6,465,111	A-6a	Qualified Bonds Paid by State		
		<u>196,292,044</u>	<u>23,401,406</u>	A-11	Due to Other Funds		
Add: Overexpended to Deferred Charge	A-23	2,577,373	13,370,303	A-23	Deferred Charges		
			374,000	A-18	Reserved for Retro Pay		
Less: Cancelled	A-1	<u>1,476,249</u>	<u>(39,419)</u>	A-14	Budget Reimbursements		
		<u>\$ 197,393,168</u>	<u>\$ 190,980,858</u>				

CITY OF UNION CITY

REPORT OF AUDIT

**FINANCIAL SECTION:
TRUST FUND FINANCIAL STATEMENTS**

**CITY OF UNION CITY
TRUST FUNDS
AS OF DECMEBER 31, 2024 AND 2023**

EXHIBIT B

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>			
Animal Control Trust Fund			
Cash and Cash Equivalents	B-1	\$ 4,714	\$ 10,194
Other Trust Fund			
Cash and Cash Equivalents	B-5	11,816,578	11,521,221
Account Receivables	B-6	454,447	395,511
		<u>12,271,025</u>	<u>11,916,732</u>
Community Development Agency Fund			
Cash and Cash Equivalents	B-10	10,250	6,815
Due from HUD Community Development Block Grant	B-11	2,310,733	2,094,616
		<u>2,320,983</u>	<u>2,101,431</u>
Public Defender Trust Fund			
Cash and Cash Equivalents	B-15	2,150	1,675
Total Assets		<u>\$ 14,598,872</u>	<u>\$ 14,030,032</u>
<u>Liabilities and Reserves</u>			
Animal Control Trust Fund			
Due to the State of New Jersey	B-2	\$ 5	\$ -
Reserve for Animal Control Trust Fund Expenditures	B-3	4,709	10,155
Prepaid License	B-1	-	39
		<u>4,714</u>	<u>10,194</u>
Other Trust Fund			
Reserve for Other Trust Fund Activity	B-8	11,002,488	11,134,518
Reserve for Encumbrances Payable	B-9	1,268,537	782,214
		<u>12,271,025</u>	<u>11,916,732</u>
Community Development Agency Fund			
Reserve for Community Development Block Grant	B-13	1,106,777	1,490,127
Reserve for Encumbrances	B-13	1,214,206	611,304
		<u>2,320,983</u>	<u>2,101,431</u>
Public Defender Trust Fund			
Reserve for Public Defender Trust Expenditures	B-16	2,150	1,675
Total Liabilities and Reserves		<u>\$ 14,598,872</u>	<u>\$ 14,030,032</u>

See Accompanying Notes to the Financial Statements.

CITY OF UNION CITY

REPORT OF AUDIT

**FINANCIAL SECTION:
GENERAL CAPITAL FUND
FINANCIAL STATEMENTS**

**CITY OF UNION CITY
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2024 AND 2023**

EXHIBIT C

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2, C-3	\$ 7,958,349	\$ 10,142,950
Deferred Charges to Future Taxation:			
Funded	C-4	56,125,446	62,228,037
Unfunded	C-5	28,081,577	28,628,577
Interfunds Receivable:			
Due from Current Fund	C-6	-	4,552,090
Total Assets		<u>\$ 92,165,372</u>	<u>\$ 105,551,654</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Liabilities and Reserves:			
Capital Improvement Fund	C-14	\$ 372,811	\$ 1,532,811
Improvement Authorizations:			
Funded	C-7	6,848,618	9,753,874
Unfunded	C-7	3,254,331	4,418,158
Encumbrances Payable	C-8	3,315,618	4,893,572
General Serial Bonds	C-9	54,990,000	59,820,000
Capital Lease Payable	C-13	514,926	884,077
Capital Lease Payable - HCIA	C-10	-	826,216
Green Acres Loans Payable	C-11	620,520	697,744
Bond Anticipation Notes	C-12	21,955,000	22,502,000
Reserve for Retirement of Debt Service	C-15	-	29,007
Total Liabilities and Reserves		<u>91,871,824</u>	<u>105,357,459</u>
Fund Balance	C-1	<u>293,548</u>	<u>194,195</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 92,165,372</u>	<u>\$ 105,551,654</u>
Bonds and Notes Authorized But Not Issued	C-16	<u>\$ 6,126,577</u>	<u>\$ 6,126,577</u>

See Accompanying Notes to the Financial Statements.

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT C-1

COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Balance, December 31, 2023	C	\$ 194,195	\$ 117,927
Increased by:			
Premium on HCIA Note Sales	C-2	<u>99,353</u>	<u>76,268</u>
Balance, December 31, 2024	C	<u>\$ 293,548</u>	<u>\$ 194,195</u>

See Accompanying Notes to the Financial Statements.

CITY OF UNION CITY

REPORT OF AUDIT

**FINANCIAL SECTION:
GENERAL FIXED ASSETS
FINANCIAL STATEMENTS**

**CITY OF UNION CITY
GENERAL FIXED ASSETS
AS OF DECMEBER 31, 2024 AND 2023**

EXHIBIT D

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>			
Land		\$ 20,618,690	\$ 20,351,200
Buildings and Improvements		55,234,470	51,705,099
Machinery, Equipment and Other		<u>20,092,619</u>	<u>19,470,175</u>
Total Assets	D-1	<u>\$ 95,945,779</u>	<u>\$ 91,526,474</u>
<u>Reserves</u>			
Investment in General Fixed Assets		<u>\$ 95,945,779</u>	<u>\$ 91,526,474</u>
Total Reserves	D-2	<u>\$ 95,945,779</u>	<u>\$ 91,526,474</u>

See Accompanying Notes to the Financial Statements.

CITY OF UNION CITY

REPORT OF AUDIT

**FINANCIAL SECTION:
NOTES TO FINANCIAL STATEMENTS**

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The City of Union City (the “City”) is organized as a Commission form of government under the provisions of N.J.S.A. 40:70-1. Five members comprise the City Board of Commissioners and serve in both administrative and legislative capacities. The Commissioners are elected at-large by voters of the City and serve four-year concurrent terms beginning the third Tuesday of May following their election. The Mayor is elected by the Board of Commissioners for a four-year term. The Mayor presides over the Board of Commissioners but has no veto power. Each Commissioner acts as the director of one of the five major departments of the City. There is no single chief executive.

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 (“GASB”) establishes criteria to be used to determine which component units should be included in the financial statements of the primary government (the City). If the provisions of GASB had been complied with, the financial statements of the Union City Day Care Center (a non-profit organization), the Union City Board of Education, the Union City Housing Authority, the Union City Parking Authority, the Union City Public Library, and the Union City Redevelopment Agency would be discretely presented as component units within the City’s financial statements. However, 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. Accordingly, the financial statements of the City do not include the operations of these entities.

REPORTING PERIOD

The City Board of Commissioners authorized the changing of the City fiscal year from a year ended June 30 to a year ended December 31. This report represents the first fiscal calendar year period of January 1, 2024 to December 31, 2024. the City’s future fiscal accounting years will be from January 1 to December 31 of each year. This report also contains audited information for the six month “transition year” for the period from July 1, 2023 to December 31, 2023. The six month transition year was required by the Division for any municipality to revert to a calendar year.

BASIS OF PRESENTATION

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

The accounts of the City are maintained in accordance with the Division’s principles of fund accounting. 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.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current Fund – is used to account for all resources and expenditures for governmental operations of a general nature.

Federal and State Grants Fund – is used to account for receivables due from grantor agencies and the balance of grant awards available for spending, after first having been formally adopted by Current Fund budget or subsequent insertion in the budget in accordance with N.J.S.A. 40A:4-87. This fund is presented within the City’s Current Fund statements and schedules.

General Capital Fund – is used to account for receipts and disbursements of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund or the Trust Fund. Bonds, notes and loans payable are recorded in this fund, offset by deferred charges to future taxation.

General Fixed Assets – is not a separate fund type, but is used to account for fixed assets required in general governmental operations.

Trust Funds – are used to account for receipts, custodianship and disbursements 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 applicable state statutes or as an agent for individuals and other governmental agencies. The City has the following Trust Funds:

Animal Control Trust Fund – is used to account for fees collected from dog and cat licenses and expenditures which are regulated by N.J.S.A 4:19-15.11.

Other Trust Funds – is used to account for the assets and resources held by the City in a trustee or agent capacity. Included in this fund are monies collected and disbursed for the purposes of: insurance proceeds, Council on Affordable Housing, tax sale redemption and premiums, escrow accounts, the parking offenses adjudication act, public defender fees, forfeitures, elevator inspections, fire victims assistance funds, recreation program proceeds, storm recovery trust, tree planning programs and donations of various sorts and the outside employment of off-duty police officers whereas fees are charged contractors for the use of police officers and vehicles and police officer overtime is then paid from these contractor’s fees.

Community Development Agency Fund – is used to account for the assets and resources held by the City in a trustee or agent capacity, the source of which is United States Housing and Urban Development grant awards such for the Community Development Block Grant program.

Public Defender Trust Fund – is used to account for public defender fees and the costs of providing public defender services as necessary.

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 GAAP. The current financial resources 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.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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.

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.

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.

Inventories of Supplies - The cost of inventories of supplies are recorded as expenditures at the time the individual items are purchased. The costs of inventories are not included on the balance sheets of the Current, Trust or General Capital Funds. GAAP requires the cost of inventories to be reported as a current asset 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 the property was acquired and is subsequently updated for revaluations. The value of the property is fully reserved. GAAP requires such property to be recorded as a fixed asset at market value on the date of acquisition.

Improvement Authorizations – Improvement Authorizations in the General Capital Fund represent the unexpended balance of an ordinance appropriation. GAAP does not recognize unexpended balances of ordinances as liabilities.

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 Fund budget. In addition, deferred charges may result from operating activities and are required to be raised by future taxation either in the succeeding year, within 3 years or within five years, dependent on the statutory authority applicable to such charges. As the funds are raised by taxation, the deferred charges are reduced. GAAP does not require the establishment of deferred charges to future taxation.

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 fund and the remaining obligations be recorded as long-term obligations.

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

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Pension and Net OPEB Liabilities - Had generally accepted accounting principles been followed, the City's share of its actuarially determined net pension liabilities for the Public Employees Retirement System ("PERS"), Police and Fire Retirement System ("PFRS") and other post-employment benefit plans would be required to be accrued on the City's balance sheet. Accounting practices prescribed by the Division of Local Government Services only require note disclosure of these liabilities and related actuarial information. The City appropriates annually the amounts required to be paid in any fiscal year in that year's budget its share of PERS and PFRS obligations.

Leases - Under GASB Statement No. 87, lease commitments, including those with bargain purchase options, are required to be recorded as lease liabilities at the present value of future lease payments, offset with a tangible asset or right-of-use asset as applicable. Commitments for the purchase and ownership of capital assets are recorded as financed purchases reflected in the amount of the liability and corresponding asset. In accordance with accounting practices prescribed by the Division, leases for operating expenditures are not shown as liabilities and accordingly no corresponding asset is recorded. Leases for non-operating expenditures for the acquisition of assets with useful lives exceeding five years may be recorded at historical cost as capital leases or installment purchase agreements payable with offsetting deferred charges if there is either a transfer of ownership of property or an option for ownership.

Reserves (Other than Reserve for Receivables) - Reserves, other than reserve for receivables, are considered liabilities, and not 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.

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).

Use of Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

General Fixed Assets - Accounting for Governmental Fixed Assets as promulgated by the Division 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 the various funds for general fixed assets are recorded as expenditures within the respective fund. Public domain (infrastructure) 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. 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 General Capital Fund against authorizations under which the project was approved until such time as the construction is completed and put into operation. Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

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. The City has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by an independent appraisal firm.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In accordance with the accounting principles prescribed by the Division, no depreciation has been provided for in the financial statements. 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.

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 New Jersey, 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 and New Jersey Asset and Rebate Management Program (“NJARM”). 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. Also see Note 2 - Cash and Cash Equivalents and Investments.

The City is 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 40A: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.

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 Fixed Assets or Capital Fund, except to the extent that 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. These procedures include statutory deadlines of: August 10 for introduction and approval and September 20 for adoption. These dates are subject to extension by the Division with 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. Transfers from appropriations excluded from “CAPS” are prohibited unless they are between debt service appropriations. 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 “CAP” laws follows:

- 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.
- 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 UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Comparison Information is presented in the basic financial statements as Exhibits A-2 and A-3.

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

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

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

Reconciliation of Accounting Basis – As described throughout Note 1, substantial differences exist between GAAP and the regulatory basis prescribed by the Division. Reconciliation between the two would not be meaningful or informative and therefore is not provided herein.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk is the risk that in the event of a bank failure, the City's cash deposits may not be returned to it or 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. To minimize custodial credit risk, all bank deposits as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act ("GUDPA") or are invested in deposits with the New Jersey Cash Management Fund or the New Jersey Asset & Rebate Management Program ("NJARM"). As of December 31, 2024 and 2023, 81% and 76%, respectively, of the City's investments and deposits were held in one financial institution. The remaining funds were distributed among three financial institutions and investment pools. All bank deposits and investments as of the balance sheet date are classified as to 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.

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect deposits and investments. None of the City's deposits and investments as of December 31, 2023 and June 30, 2023 are known to be held in foreign currency.

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 summarily identified in the following paragraph.

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.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

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

New Jersey statutes permit the City to purchase the following types of securities:

- ◆ 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 Finance Notice 2017-24 further authorizes local governments, such as the City, to invest in notes issued by New Jersey municipalities, counties, fire districts and boards of education without prior Division approval, so long as such investments are incorporated into a cash management plan.
 - Debt obligations from the following local government entities are statutorily authorized to be incorporated into a cash management plan without being subject to a 397-day maturity limit: Parking Authorities, Sewerage and Utilities Authorities, County Improvement Authorities, Pollution control Financing Authority, certain Water Commissions, Municipal Port Authorities, Municipal Shared Service Energy Authority as well as bonds issued pursuant to the Local Redevelopment.
- ◆ 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 on the preceding page, (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 as defined by statute and (e) a master repurchase agreement providing for the custody and security of collateral is executed.

GASB requires that the City disclose the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The City is exempt from this requirement because all its investments December 31, 2024 and 2023 are invested in the NJ Cash Management Fund, or the NJARM Program, which are both classified as Government Investment Pools with maturity periods of less than one year.

The **NJARM Program** is a financial services organization created and run exclusively for New Jersey municipalities, authorities, schools and other local and regional governmental type entities. The Program was designed to help achieve excellence in the governmental unit's investment program. Created as a joint trust investment under the Interlocal Services Act, NJARM provides participants with investment and arbitrage rebate compliance services for both bond proceeds and general operating funds. The program is a means for local governments in the State to invest collectively the proceeds of taxable and tax-exempt borrowings and other funds on hand. As of December 31, 2024 and 2023, the City has a balance of \$517,124 and \$978,437, respectively, in the NJARM Program.

All investments in the **New Jersey Cash Management Fund** are governed by the regulations of the State of New Jersey Division of Investment, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. Although the Division of Investment has never suffered a default of principal or interest on any short-term security held within the New Jersey Cash Management Fund due to the bankruptcy of a securities issuer, it has established a reserve as additional protection for the Other-than-State participants.

In addition to the Division of Investment regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. The City does not own specific identifiable securities of the New Jersey Cash Management Fund, but instead has a net realizable interest in the joint value of the fund. As of December 31, 2024 and 2023, the City had a balance of \$544,592 and \$517,339, respectively, in the New Jersey Cash Management Fund.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 3. PROPERTY TAXES

In accordance with the accounting principles prescribed by the Division, receivables for property taxes and tax title liens are recorded with offsetting reserves on the balance sheet of the City's Current Fund. Accordingly, such amounts are not recorded as revenue until collected. Since delinquent taxes and tax title liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires such revenue to be recognized when they are available and measurable, reduced by an allowance for doubtful accounts.

Property tax revenues are collected in quarterly installments due August 1, November 1, February 1, and May 1. Property taxes unpaid on October 1 of the fiscal year following their final due date are subject to tax sale in accordance with the statutes. Chapter 99 of the Public Laws of 1997 of the State of New Jersey authorized any municipality to have an accelerated tax sale. An accelerated tax sale permits a municipality to have a tax sale when property taxes are unpaid after the 11th day of the 11th month of each fiscal year. The City conducted an accelerated tax sale during the year ended December 31, 2024 and the transition year ended December 31, 2023. The true tax collection rate, including the proceeds of the accelerated tax sales for the year ended December 31, 2024 and the transition year ended December 31, 2023 was 98.9% and 99.6%, respectively. The underlying tax collection rate for the year ended December 31, 2024 and the transition year ended December 31, 2023 was 98.2% and 99.1%, respectively.

During the year ended December 31, 2024, the City collected \$20,081 from delinquent taxes which represented 49.7% of the delinquent balances at December 31, 2023. During the transition year ended December 31, 2023, the City collected \$12,840 from delinquent taxes which represented 63% of the delinquent balances at June 30, 2023.

Taxes collected in advance are recorded as cash liabilities in the financial statements. As of December 31, 2024 and 2023, the City's prepaid taxes were \$510,958 and \$558,171, respectively.

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 following entities:

Union City Board of Education - The City is responsible for levying, collecting and remitting school taxes for the Union City Board of Education. Operations are charged for the full amount required to be raised from taxation to operate the school district for the period from July 1 to June 30.

County of Hudson - The City is responsible for levying, collecting and remitting county taxes for the County of Hudson. Operations is charged for the amount due to 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. 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.

NOTE 4. MUNICIPAL DEBT

SUMMARY OF MUNICIPAL DEBT

The Local Bond Law, N.J.S.A. 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. The term of bond anticipation notes, which are issued to temporarily finance capital projects, cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid or permanently financed no later than the tenth anniversary of the date of the original note. On or before the third anniversary date of the original note through the tenth anniversary date, a payment of an amount at least equal to the first legally payable installment must be paid or retired.

The City has received loans and capital leases to fund various capital projects. Repayment terms, which are set by the lender, cannot exceed the statutory period of usefulness as established by the Local Bond Law. The City's debt is summarized as follows:

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 4. MUNICIPAL DEBT (continued)

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Issued:		
General Bonds	\$ 54,990,000	\$ 59,820,000
HCIA Lease	-	826,216
Green Acres	620,520	697,744
Capital Leases	514,926	884,077
BANS	<u>21,955,000</u>	<u>22,502,000</u>
Bonds, notes and loans	78,080,446	84,730,037
Authorized by not Issued:		
Bonds and notes	<u>6,126,577</u>	<u>6,126,577</u>
 Total Issued and Authorized but not Issued	 <u>\$ 84,207,023</u>	 <u>\$ 90,856,614</u>

A detail of bonds, notes and loans issued and outstanding follows:

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
\$15,735,000 ERI Pension Bonds of 2002 due in annual installments of \$15,000 to \$1,695,000 through January 2033, bearing interest at 5.375% - 6.250%	\$ 9,135,000	\$ 9,510,000
\$10,300,000 General Obligation Bonds of 2016 due in annual installments of \$540,000 to \$890,000 through July 2030, bearing interest at 2.5% - 3.0%	4,975,000	5,720,000
\$37,845,000 General Obligation Bonds of 2021 due in annual instalments of \$2,855,000 to \$7,145,000 from 8/1/24 through 8/1/2033, bearing interest rates of 0.05% to 2.25%	34,990,000	37,845,000
\$6,745,000 Taxable General Obligation Bonds of 2021 due in annual installments of \$855,000 to \$1,080,000 from 8/1/2024 through 8/1/2030, bearing interest rates of 1.55%	5,890,000	6,745,000
\$4,766,625 HCIA Capital Leases of 2004 due in annual installments of \$150,525 to \$585,375 through January 2024, bearing interest at 5.33%	-	585,375
\$2,396,693 HCIA Capital Leases of 2006 due in annual installments of \$71,918 to \$122,093 through January 2024, bearing interest at 4.0% - 5.4%	-	240,841
\$800,000 Green Trust Loan of 2011 due in annual installments of \$33,915 to \$48,525 through March 2031, bearing interest at 2%	279,953	323,447
\$70,000 Green Trust Loan of 2011 due in annual installments of \$2,968 to \$4,246 through March 2031, bearing interest at 2%	24,496	28,301
\$590,143 Green Trust Loan of 2014 due in annual installments of \$12,447 to \$36,155 through February 2034, bearing interest at 2%	316,071	345,996

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 4. MUNICIPAL DEBT (continued)

Continuation of bonds, notes and loans issued and outstanding:

	Dec. 31, 2024	Dec. 31, 2023
	<u> </u>	<u> </u>
\$248,357 Capital Lease of 2021 due in annual installments of \$46,787 to \$52,642 through November 2026, bearing interest at 2.99%	\$ 103,755	\$ 153,383
\$433,085 Capital Lease of 2020	7,527	97,905
\$289,970 Capital Lease of 2019 due in annual installments of \$53,878 to \$62,262 through July 2024, bearing interest at 3.68%	-	62,262
\$319,776 Capital Lease of 2021 due in annual installments of \$60,243 to \$67,778 through November 2026, bearing interest at 2.99%	133,588	197,488
\$274,933 Capital Lease of 2021 due in annual installments of \$51,706 to \$57,816 through April 2026, bearing various interest rates	113,519	167,187
\$35,411 Capital Lease of 2022 due in annual installments of \$6,507 to \$7,630 through September 2026, bearing various interest rates	14,865	21,727
\$225,134 Capital Lease of 2022 due in annual installments of \$41,009 to \$49,738 through August 1, 2027, bearing various interest rates	141,672	184,125
Bond Anticipation Notes issued 2024 and TY2023 and due 2025 and 2024, bearing interest at 4.25% - 5.0%	<u>21,955,000</u>	<u>22,502,000</u>
Total Debt Issued and Outstanding	<u>\$ 78,080,446</u>	<u>\$ 84,732,060</u>

The changes in debt for the year ended December 31, 2024 are as follows:

	Balance Dec. 31, 2023	Paid	Balance Dec. 31, 2024
	<u> </u>	<u> </u>	<u> </u>
Short-Term:			
Bond Anticipation Notes	\$ 22,502,000	\$ 547,000	\$ 21,955,000
Long-Term:			
General Bonds and Notes	59,820,000	4,830,000	54,990,000
Capital Leases	1,710,293	1,195,367	514,926
Green Acres Loans	697,744	77,224	620,520
Authorized but Not Issued	<u>6,126,577</u>	<u>-</u>	<u>6,126,577</u>
Total	<u>\$ 90,856,614</u>	<u>\$ 6,649,591</u>	<u>\$ 84,207,023</u>

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 4. MUNICIPAL DEBT (continued)

The changes in debt for the transition year ended December 31, 2023 are as follows:

	Balance June 30, 2023	Paid	Balance Dec. 31, 2023
Short-Term:			
Bond Anticipation Notes	\$ 22,793,000	\$ 291,000	\$ 22,502,000
Long-Term:			
General Bonds and Notes	64,420,000	4,600,000	59,820,000
Capital Leases	2,633,655	923,362	1,710,293
Green Acres Loans	735,785	38,041	697,744
Authorized but Not Issued	6,126,577	-	6,126,577
Total	<u>\$ 96,709,017</u>	<u>\$ 5,852,403</u>	<u>\$ 90,856,614</u>

DEBT SERVICE TO MATURITY

The repayment schedule of annual debt service principal and interest for the next five years, and five-year increments thereafter, for bonded debt issued and outstanding as of December 31, 2024 is as follows:

Year Ending December 31,	General Bonds		Capital Leases		Green Acres Trust Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ 5,025,000	\$ 1,575,244	\$ 232,142	\$ 20,224	\$ 78,778	\$ 12,018	\$ 6,954,870
2026	5,210,000	1,444,326	233,046	11,464	80,361	10,435	6,992,329
2027	5,405,000	1,304,995	49,738	2,696	81,977	8,820	6,855,922
2028	5,615,000	1,156,246	-	-	83,624	7,172	6,862,042
2029	5,860,000	996,071	-	-	85,305	5,491	6,946,867
2030-2034	27,875,000	2,088,901	-	-	210,472	8,764	30,183,137
	<u>\$ 54,990,000</u>	<u>\$ 8,565,783</u>	<u>\$ 514,926</u>	<u>\$ 34,384</u>	<u>\$ 620,518</u>	<u>\$ 52,700</u>	<u>\$ 64,795,167</u>

BONDS ISSUED, AND AUTHORIZED BUT NOT ISSUED, BY ANOTHER PUBLIC ENTITY AND GUARANTEED BY THE CITY

UNION CITY BOARD OF EDUCATION

In May 2018 the Union City Board of Education issued Hudson County Improvement Authority Lease Revenue Bonds, the proceeds of which are being used in connection with the construction of a parking deck adjacent to a Union City Board of Education school building. These bonds are guaranteed by the City. At December 31, 2024 and 2023, \$8,750,000 and \$9,250,000, respectively, of these bonds were outstanding. Principal amounts are due in annual installments ranging from \$375,000 to \$3,930,000 through June 2037, and bear interest at rates ranging from 3.76% to 5.00%. As guarantor, the City's responsibility is limited to the extent of the amounts outstanding in the event of a default. The City does not expect to be responsible for any of the debt service payments on the bonds.

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

At December 31, 2024 the equalized valuation basis of the City was \$5,815,934,224. The summarized statement of debt condition, which was prepared in accordance with the required method of setting up the Annual Debt Statement, indicated a statutory net debt of 1.282%. At December 31, 2023 the equalized valuation basis of the City was \$4,868,228,323. The summarized statement of debt condition, which was prepared in accordance with the required method of setting up the Annual Debt Statement, indicated a statutory net debt of 1.635%.

	At December 31, 2024			At December 31, 2023		
	Gross Debt	Deductions	Net Debt	Gross Debt	Deductions	Net Debt
Local School Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Debt	92,442,097	17,885,000	74,557,097	98,396,321	18,789,007	79,607,314
	<u>\$ 92,442,097</u>	<u>\$ 17,885,000</u>	<u>\$ 74,557,097</u>	<u>\$ 98,396,321</u>	<u>\$ 18,789,007</u>	<u>\$ 79,607,314</u>

**CITY OF UNION CITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 4. MUNICIPAL DEBT (continued)

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

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
3-1/2% of Equalized Valuation Basis	\$ 203,557,698	\$ 170,387,991
Net Debt	<u>74,557,097</u>	<u>79,607,314</u>
Remaining Borrowing Power	<u>\$ 129,000,601</u>	<u>\$ 90,780,677</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, 2024 and 2023 appropriated and included as anticipated revenue in the succeeding year’s budget were as follows:

<u>At</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Year Ended December 31, 2024	\$ 12,026,741	\$ - *
Transition Year Ended December 31, 2023	\$ 9,348,059 TY	\$ -

TY - Represents the Six Month Transition Year beginning July 1, 2023 and ending December 31, 2023.

* - Per introduced budget subject to amendment prior to adoption.

NOTE 6. RETIREMENT SYSTEMS

Substantially all City employees participate in the State of New Jersey, 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. The PERS and PFRS are cost sharing multi-employer contributory defined benefit public employee retirement systems. The DCRP is a defined contribution plan.

STATE-MANAGED PENSION PLANS – PERS

Regulatory Basis Disclosure –The New Jersey Division of Local Government Services allows municipalities to include in their annual audits the most recent available audited PERS GASB 68 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, 2024 was not available, therefore the information dated June 30, 2023 is disclosed.

The PERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits. For additional information about PERS, please refer to Division of Pension and Benefit’s Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

**CITY OF UNION CITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 6. RETIREMENT SYSTEMS (continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Net Pension Liability - GASB requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The Division does not require the City to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources or collective pension expense, however, disclosure of such amounts is required.

Although the Division of Pensions and Benefits administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan. The allocation percentages for each group of the plan as of June 30, 2023 and 2022 are based on the ratio of each employer’s contributions to total employer contributions of the group for the fiscal years ended June 30, 2023 and 2022. At June 30, 2023 and 2022, 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	
2023	0.15627%	0.01359%	\$ 22,634,415
2022	0.14268%	-0.00480%	\$ 21,532,456

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, 2023 and 2022, calculated using the discount rate as disclosed in the table and paragraphs that follow as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	2023		2022	
	Rate	Amount	Rate	Amount
1% Decrease	6.00%	\$ 29,465,192	6.00%	\$ 27,662,899
Current Discount Rate	7.00%	22,634,415	7.00%	21,532,456
1% Increase	8.00%	16,820,520	8.00%	16,315,203

Actuarial Assumptions - The total pension liability for the June 30, 2023 and June 30, 2022 measurement dates were determined by actuarial valuations as of July 1, 2022 and 2021, respectively, which were rolled forward to June 30, 2023 and 2022, respectively. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

Measurement Date	Inflation Rate		Salary Increases Based on Years of Service	Investment
	Price	Wage		Rate of Return
June 30, 2023	2.75%	3.25%	2.75-6.55%	7.00%
June 30, 2022	2.75%	3.25%	2.75-6.55%	7.00%

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 6. RETIREMENT SYSTEMS (continued)

Mortality – For the June 30, 2022 and 2021 Measurement Dates, preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2022 and 2021 valuations were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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, 2023 and June 30, 2022) 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, 2023 and 2022 are summarized in the following table:

Asset Class	June 30, 2023		June 30, 2022	
	Target Allocation	Long-Term Expected Rate of Return	Target Allocation	Long-Term Expected Rate of Return
U.S. Equity	28.00%	8.98%	27.00%	8.12%
Non-U.S. Developed Markets Equity	12.75%	9.22%	13.50%	8.38%
Emerging Markets Equity	5.50%	11.13%	5.50%	10.33%
Private Equity	13.00%	12.50%	13.00%	11.80%
Real Estate	8.00%	8.58%	8.00%	11.19%
Real Assets	3.00%	8.40%	3.00%	7.60%
High Yield	4.50%	6.97%	4.00%	4.95%
Private Credit	8.00%	9.20%	8.00%	8.10%
Investment Grade Credit	7.00%	5.19%	7.00%	3.38%
Cash Equivalents	2.00%	3.31%	4.00%	1.75%
U.S. Treasuries	4.00%	3.31%	4.00%	1.75%
Risk Mitigation Strategies	3.00%	6.21%	3.00%	4.91%
International Small Cap Equity	1.25%	9.22%	*	*

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 6. RETIREMENT SYSTEMS (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, 2023 and 2022:

	June 30, 2023			June 30, 2022		
	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	\$ 49,723	\$ 1,371,743	\$ (1,322,020)	\$ 66,714	\$ 3,224,261	\$ (3,157,547)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	216,414	92,522	123,892	155,411	137,051	18,360
Changes in Proportion	104,234	-	104,234	891,209	-	891,209
	1,819,120	989,381	829,739	37,926	1,506,868	(1,468,942)
	<u>\$ 2,189,491</u>	<u>\$ 2,453,646</u>	<u>\$ (264,155)</u>	<u>\$ 1,151,260</u>	<u>\$ 4,868,180</u>	<u>\$ (3,716,920)</u>

Amounts reported at June 30, 2023 and 2022 as net deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

As at June 30, 2023		As at June 30, 2022	
Year Ended June 30,		Year Ended June 30,	
2024	\$ (128,214)	2023	\$ (3,053,978)
2025	(71,564)	2024	(1,555,899)
2026	100,006	2025	(758,782)
2027	(17,897)	2026	1,655,375
2028	304	2027	(3,636)
	<u>\$ (264,155)</u>		<u>\$ (3,716,920)</u>

Contribution Policy - 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. Members contribute at a uniform rate pursuant to the provisions of Chapter 78, P.L. 2011.

Members contribution rates were 7.50% effective starting July 1, 2018. Member 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	Base Wages Subject to Contributions	City Contribution		Employee Contribution	
		Amount Paid or Charged	As a Percentage of Base Wages	Amount Contributed	As a Percentage of Base Wages
December 31, 2024	\$ 12,762,324	\$ 2,150,855	16.85%	\$ 957,528	7.50%
*December 31, 2023	\$ 6,337,814	\$ -	0.00%	\$ 475,861	7.50%
June 30, 2023	\$ 12,427,377	\$ 1,860,888	14.97%	\$ 932,055	7.50%

*Represents Six Month Transition Year from July 1, 2023 to December 31, 2023

**CITY OF UNION CITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 6. RETIREMENT SYSTEMS (continued)

STATE-MANAGED PENSION PLANS – PFRS

Regulatory Basis Disclosure –The New Jersey Division of Local Government Services allows municipalities to include in their annual audits the most recent available audited PFRS GASB 68 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, 2024 was not available, therefore the information dated June 30, 2023 is disclosed.

The PFRS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits. For additional information about PFRS, please refer to Division of Pension and Benefit’s Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions/financial-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after 4 years of service. The following represents the membership tiers for PERS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (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.

Net Pension Liability - GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PFRS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The Division does not require the City to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources or collective pension expense, however, disclosure of such amounts is required. Although the Division of Pensions and Benefits administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

The allocation percentages for each group of the plan as of June 30, 2023 and 2022 are based on the ratio of each employer’s contributions to total employer contributions of the group for the fiscal years ended June 30, 2023 and 2022.

Under N.J.S.A. 43:16A-15 the City is responsible for its own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the City under this legislation are considered to be a special funding situation as defined by GASB Statement No. 68 and 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 City must disclose the State’s total proportionate share of the collective net pension liability that is associated with the City.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 6. RETIREMENT SYSTEMS (continued)

At June 30, 2023 and 2022, the City’s net pension liability for PFRS, including the special funding situation described above and 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	
2023	0.54786%	0.00024%	\$ 60,532,017	\$ 11,153,728	\$ 71,685,745
2022	0.54762%	-0.01753%	\$ 62,682,244	\$ 11,155,602	\$ 73,837,846

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, 2023 and 2022, calculated using discount rates of 7.00% and 7.00%, respectively, as well the City’s proportionate share of the net pension liability if calculated using discount rates that are 1% lower or 1% higher than the current rate:

	2023		2022	
	Rate	Amount	Rate	Amount
1% Decrease	6.00%	\$ 84,340,766	6.00%	\$ 86,006,808
Current Discount Rate	7.00%	60,532,017	7.00%	62,682,244
1% Increase	8.00%	40,705,017	8.00%	43,264,431

Actuarial Assumptions - The total pension liability for the June 30, 2023 and June 30, 2022 measurement dates were determined by actuarial valuations as of July 1, 2022 and 2021, respectively, which were rolled forward to June 30, 2023 and 2022, respectively. These actuarial valuations used the following actuarial assumptions:

Measurement Date	Inflation Rate		Salary Increases Based on Years of Service	Investment Rate of Return
	Price	Wage		
June 30, 2023	2.75%	3.25%	3.25-16.25%	7.00%
June 30, 2022	2.75%	3.25%	3.25-16.25%	7.00%

Mortality – For the June 30, 2023 and June 30, 2022 Measurement Dates, employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2022 and July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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 June 30, 2023 and June 30, 2022) 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.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 6. RETIREMENT SYSTEMS (continued)

Best estimates of arithmetic rates of return for each major asset class included in PFRS target asset allocations as of June 30, 2023 and 2022 are summarized in the following table:

Asset Class	June 30, 2023		June 30, 2022	
	Target Allocation	Long-Term Expected Rate of Return	Target Allocation	Long-Term Expected Rate of Return
U.S. Equity	28.00%	8.98%	27.00%	8.12%
Non-U.S. Developed Markets Equity	12.75%	9.22%	13.50%	8.38%
Emerging Markets Equity	5.50%	11.13%	5.50%	10.33%
Private Equity	13.00%	12.50%	13.00%	11.80%
Real Estate	8.00%	8.58%	8.00%	11.19%
Real Assets	3.00%	8.40%	3.00%	7.60%
High Yield	4.50%	6.97%	4.00%	4.95%
Private Credit	8.00%	9.20%	8.00%	8.10%
Investment Grade Credit	7.00%	5.19%	7.00%	3.38%
Cash Equivalents	2.00%	3.31%	4.00%	1.75%
U.S. Treasuries	4.00%	3.31%	4.00%	1.75%
Risk Mitigation Strategies	3.00%	6.21%	3.00%	4.91%
International Small Cap Equity	1.25%	9.22%	*	*

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, 2023 and 2022:

	June 30, 2023			June 30, 2022		
	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	\$ 130,649	\$ 4,087,362	\$ (3,956,713)	\$ 171,787	\$ 7,890,456	\$ (7,718,669)
Difference Between Expected and Actual Experience	2,591,860	2,886,840	(294,980)	2,837,166	3,840,140	(1,002,974)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,082,781	-	3,082,781	5,739,852	-	5,739,852
Changes in Proportion	1,281,138	1,755,792	(474,654)	2,136,049	2,312,741	(176,692)
	<u>\$ 7,086,428</u>	<u>\$ 8,729,994</u>	<u>\$ (1,643,566)</u>	<u>\$ 10,884,854</u>	<u>\$ 14,043,337</u>	<u>\$ (3,158,483)</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,	Year Ended June 30,
2024	2023
\$ (1,728,077)	\$ (3,320,889)
2025	2024
(1,104,349)	(2,122,255)
2026	2025
(1,052,014)	(2,021,683)
2027	2026
2,197,495	4,222,982
2028	2027
21,178	40,698
Thereafter	Thereafter
22,201	42,665
<u>\$ (1,643,566)</u>	<u>\$ (3,158,483)</u>

**CITY OF UNION CITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 6. RETIREMENT SYSTEMS (continued)

Contribution Policy - 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. Members contribute at a uniform rate pursuant to the provisions of Chapter 78, P.L. 2011. Members contributed at a rate of 10%. Member 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	Base Wages Subject to Contributions	City Contribution		Employee Contribution	
		Amount Paid or Charged	As a Percentage of Base Wages	Amount Contributed	As a Percentage of Base Wages
December 31, 2024	\$ 19,058,752	\$ 7,480,072	39.25%	\$ 1,908,146	10.00%
*December 31, 2023	\$ 9,657,283	\$ -	0.00%	\$ 965,728	10.00%
June 30, 2023	\$ 19,987,255	\$ 7,417,128	37.11%	\$ 1,998,725	10.00%

*Represents Six Month Transition Year from July 1, 2023 to December 31, 2023

PERS AND PFRS FIDUCIARY NET POSITION

The State of New Jersey issues publicly available financial reports that include the financial statements, required supplementary information, as well as 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.

PERS AND PFRS DEFERRAL

Legislation known as Chapter 19 of the Public Laws of 2009 was enacted and effective on March 17, 2009 allowing for an adjustment in the contributions the City was required to 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, 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. Under the terms of the pension deferral the City was obligated to commence repayment of the entire deferral in 15 amortized annual installments, commencing with the year ended June 30, 2012. These payments are added to the regular pension bills. Payments made during the year ended December 31, 2024 and the transition year ended December 31, 2023, inclusive of principal and interest, were \$366,097 and \$0-, respectively. The payment due for the pension deferral, inclusive of principal and interest, in the year ended December 31, 2025 is \$368,833.

DEFINED CONTRIBUTION RETIREMENT PROGRAM

The Defined Contribution Retirement Plan (DCRP), established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010, is a multiple employer defined contribution plan administered by the State of New Jersey, Division of Pensions and Benefits.

The 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 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 limit 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.

**CITY OF UNION CITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 6. RETIREMENT SYSTEMS (continued)

State and local government employers contribute 3% of the employees’ base salary. Active members contribute 5.5% of base salary. 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 was 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.

DEFERRED COMPENSATION PLAN (Unaudited)

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b) and 457(b). The plan, which is administered by Valic and AXA Equitable, is 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 are made through payroll deductions, and individuals are 100% vested.

Amounts deferred under the plans 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 the property and rights of the individual contributors and are not subject to the claims of the City’s general creditors.

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS

Plan Description and Benefits Provided - The City administers a single-employer, defined benefit post-employment health insurance plan for its eligible retirees, spouses and dependents.

In accordance with City ordinances, contracts and/or policies, the City provides lifetime medical benefits which include medical, prescription drug, dental and vision benefits, and reimbursement of the Medicare Part B premiums, to City employees who were hired prior to October 28, 2013 and who retire under the following conditions:

- After twenty-five years of membership in a state or locally administered system.
- After fifteen years or more of service and are age 62 or older.
- Upon a disability retirement, if eligible.

For employees hired after October 28, 2013, the City provides lifetime medical benefits which include medical, prescription drug, dental and vision benefits, and reimbursement of the Medicare Part B premiums, to City employees who retire under the following conditions:

- After twenty-five years of membership in a state or locally administered retirement system.
- After fifteen years or more of service and are age 65 or older.
- Upon a disability retirement, if eligible.

Plan Membership - Plan membership data applicable to the last 3 valuation years were as follows:

	2024	2022	2020
Active employees	364	319	346
Retirees	462	422	388
	826	741	734

**CITY OF UNION CITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (continued)

Retiree Contributions - P.L. 2011 c.78 sets forth contribution rates for retirees of the State and local employers, such as the City. Contributions to the plan are not required for current and future retirees with twenty or more years of creditable service with the PERS or PFRS as of June 28, 2011. Any employee who retires with less than twenty years of creditable service with the PERS or PFRS as of June 28, 2011 are required to contribute toward the cost of their postemployment benefits. Contributions are based on a percentage of postemployment health care premiums, which vary based on healthcare coverage tier and pension benefit amounts.

Funding Policy – At December 31, 2024, June 30, 2024 and June 30, 2023, the plan was unfunded. In accordance with the regulatory basis of accounting prescribed by the Division, payments for benefits are contributed by the City on a pay-as-you-go basis. For the year ended December 31, 2024, (six month) transition year ended December 31, 2023 and fiscal year June 30, 2023, the City contributed \$8,128,744, \$14,810,266, and \$14,326,866, respectively.

Under 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.

Net OPEB Obligation – The Total OPEB Liability as of December 31, 2024, based on a discount rate of 4.08% and the Entry Age Normal cost method, is \$395,495,457, which includes liabilities for retirees and actives as detailed below. The Total OPEB Liability as of June 30, 2024, based on a discount rate of 3.93% and the Entry Age Normal cost method, is \$399,758,822, which includes liabilities for retirees and actives as detailed below. The Total OPEB Liability as of June 30, 2023, based on a discount rate of 3.55% and the Entry Age Normal cost method, is \$375,885,249, which includes liabilities for retirees and actives as detailed below.

The components of the net OPEB liability of the City at December 31, 2024, June 30, 2024 and June 30, 2023 were as follows:

	<u>Dec. 31, 2024</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Retiree OPEB Liability	\$ 278,072,023	\$ 285,799,724	\$ 263,106,333
Active Employee OPEB Liability	<u>117,423,434</u>	<u>113,959,098</u>	<u>112,778,916</u>
Total OPEB liability	395,495,457	399,758,822	375,885,249
OPEB Plan fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB liability	<u>\$ 395,495,457</u>	<u>\$ 399,758,822</u>	<u>\$ 375,885,249</u>
Plan Fiduciary Net Position as a Percentage of total OPEB liability	0.00%	0.00%	0.00%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the City’s net OPEB liability as of December 31, 2024 and June 30, 2023, as well what the City’s net OPEB liability would be if it were calculated using a discount rate 1% lower and 1% higher than the current discount noted in the table:

	<u>December 31, 2024</u>		<u>June 30, 2023</u>	
1% Decrease	3.08%	\$ 461,676,111	2.55%	\$ 441,611,063
Current Discount Rate	4.08%	395,495,457	3.55%	375,885,249
1% Increase	5.08%	343,127,964	4.55%	324,291,267

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the City’s net OPEB liability as of December 31, 2024 and June 30, 2023, as well what the City’s net OPEB liability would be if it were calculated using a healthcare cost trend rate 1% lower and 1% higher than the current healthcare cost trend rates noted in the table below:

	<u>Dec. 31, 2024</u>	<u>June 30, 2023</u>
1% Decrease	\$ 338,040,183	\$ 318,040,726
Current Healthcare Cost Trend Rate	395,495,457	375,885,249
1% Increase	469,445,044	450,997,774

Actuarial Assumptions - The total OPEB liability as of December 31, 2024, June 30, 2024 and June 30, 2023 was based on the valuation results as of June 30, 2024, June 30, 2024 and June 30, 2022, respectively, and rolled forward to the December 31, 2024 and June 30, 2023 measurement dates. The following actuarial assumptions applied to all periods in the measurements:

	<u>2024 (December 31 and June 30)</u>	<u>2023 (June 30)</u>
Actuarial cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Salary increase	4% per year	4% per year
Discount rate	4.08% (3.93% as of June 30, 2024)	3.55%
Healthcare cost trend rates		
Pre-65 Medical		
Year 1 trend	7.00%	5.30%
Ultimate trend	Decreasing 0.5% per year to an ultimate rate of 4.50% for 2029 and later years	Decreasing 0.15% to 0.30% per year to an ultimate rate of 4.50% for 2026 and later years
Post-65 Medical		
Year 1 trend	4.50%	4.50%
Ultimate trend	4.50%	4.50%
Prescription Drug		
Year 1 trend	7.00%	6.25%
Ultimate trend	Decreasing 0.5% per year to an ultimate rate of 4.50% for 2029 and later years	Decreasing 0.25% - 0.50% per year to an ultimate rate of 4.50% for 2026 and later years
Medicare Part B		
Year 1 trend	5.00%	5.00%
Ultimate trend	5.00%	5.00%
Mortality: Pre-Retirement	PUB-2010 (G or S) Headcount-Weighted Healthy Employee Male / Female Mortality Projected with Scale MP-2021.	PUB-2010 (G or S) Headcount-Weighted Healthy Employee Male / Female Mortality Projected with Scale MP-2021.
Mortality: Post-Retirement	PUB-2010 (G) Headcount-Weighted Healthy Annuitant Male / Female Mortality Projected with Scale MP-2021.	PUB-2010 (G) Headcount-Weighted Healthy Annuitant Male / Female Mortality Projected with Scale MP-2021.
Mortality: Disabled	PUB-2010 (G or S) Headcount-Weighted Disabled Retiree Male / Female Mortality Projected with Scale MP-2021.	PUB-2010 (G or S) Headcount-Weighted Disabled Retiree Male / Female Mortality Projected with Scale MP-2021.

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources - The OPEB expense at December 31, 2024, June 30, 2024 and June 30, 2023 was as follows:

	<u>July 1, 2024 - December 31, 2024</u>	<u>July 1, 2023 - June 30, 2024</u>	<u>July 1, 2022 - June 30, 2023</u>
Employer service cost	\$ 4,834,253	\$ 8,332,768	\$ 8,332,768
Recognition of changes in TOL due to assumption changes and actuarial experience	(6,412,064)	(13,969,196)	(13,969,196)
Interest cost	7,870,389	13,132,041	13,132,041
OPEB expense	<u>\$ 6,292,578</u>	<u>\$ 7,495,613</u>	<u>\$ 7,495,613</u>

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (continued)

The OPEB deferred outflows and deferred inflows of resources at December 31, 2024, June 30, 2024 and June 30, 2023, were as follows:

	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual demographic experience	\$ -	\$ (2,756,469)	\$ (2,756,469)
Changes of assumptions	(38,407,521)	(49,344,904)	(49,344,904)
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual demographic experience	22,179,947	7,564,542	7,564,542
Changes of assumptions	-	2,909,699	2,909,699
	<u>\$ (16,227,574)</u>	<u>\$ (41,627,132)</u>	<u>\$ (41,627,132)</u>

Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>As at December 31, 2024</u>		<u>As at June 30, 2023</u>	
<u>Dec. 31</u>		<u>June 30,</u>	
2025	(12,530,665)	2024	(13,969,199)
2026	(5,469,451)	2025	(14,122,429)
2027	1,298,301	2026	(13,535,504)
2028	1,298,301	2027	-
2029	(87,457)	2028	-
Thereafter	(736,603)	Thereafter	-
	<u>\$ (16,227,574)</u>		<u>\$ (41,627,132)</u>

Changes in Net OPEB Liability and Related Ratios - The following table shows the changes to the City's net OPEB liability to the plan and related ratios as of December 31, 2024, June 30, 2024 and June 30, 2023:

	<u>Dec. 31, 2024</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Total OPEB liability - beginning of year	\$ 399,758,822	\$ 375,885,249	\$ 368,747,306
Service Cost	4,834,253	8,666,079	8,332,768
Interest Cost	7,870,389	13,388,690	13,132,041
Contributions made	(8,128,744)	(14,810,266)	(14,326,866)
Actuarial assumption changes	(8,839,263)	(7,901,165)	-
Actuarial demographic (gain) or loss	-	24,530,235	-
Total OPEB liability - end of year	<u>\$ 395,495,457</u>	<u>\$ 399,758,822</u>	<u>\$ 375,885,249</u>
Plan fiduciary net position - beginning of year	\$ -	\$ -	\$ -
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - end of year	<u>\$ 395,495,457</u>	<u>\$ 399,758,822</u>	<u>\$ 375,885,249</u>
Funded ratio	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered payroll	\$ 31,821,076	\$ 31,821,076	\$ 32,414,632
Net OPEB liability as a percentage of covered payroll	1243%	1256%	1160%

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (continued)

Participation in State Health Benefits Plan – Special Funding Situation

Regulatory Basis Disclosure –The New Jersey Division of Local Government Services 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, 2024 was not available, therefore the information dated June 30, 2023 is disclosed.

Plan Description – The City has 164 members of the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan, with a special funding situation 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.

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.

GASB Statement 75, Accounting and financial Reporting for Postemployment Benefit Plans Other Than Pensions, (“GASB 75”), is effective for fiscal years beginning after June 15, 2017, and replaces the requirements of GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions. Under 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.

Special Funding Situation

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 as of June 30, 2023 and 2022 associated with the City is \$28,532,304 and \$33,656,011, respectively, which represents 161 and 164 plan members, respectively, constituting 0.817757% and 0.997567%, respectively, of the State’s total proportionate share of the net OPEB liability.

**CITY OF UNION CITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 8. COMPENSATED ABSENCES

Under the existing union contracts and policy of the City, certain employees are allowed to accumulate unused vacation and sick pay over the life of their working careers. In addition, certain employees are also entitled to accrue 7.5 terminal leave days for every year of service if hired before October 28, 2013, and 5 terminal leave days for every year of service if hired after October 28, 2013. These compensated absences and terminal leave may be taken as time off or paid at a later date at an agreed upon rate. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented. The City appropriates annually the amount required to be paid in that year’s budget, and no liability is accrued at December 31, 2024 and 2023. As of December 31, 2024 and 2023, the total accumulated compensated absence liability was \$10,442,596 and \$8,157,873, respectively.

NOTE 9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Workers Compensation - In 1984 the City established a self-insured workers’ compensation obligation program in accordance with the New Jersey Statute Chapter 40:10. The City dissolved this self-insured workers’ compensation obligation program in 2009 for a fully insured plan through the New Jersey Intergovernmental Insurance Fund. The City, however, still has exposure for claims from the prior self-insured worker’s compensation obligation program.

Health Benefits - The City provides health insurance coverage to eligible employees through a self-insured program. Coverage is available through Horizon Blue Cross Blue Shield New Jersey, and the program is administered through a third party administrator. The City records expenditures for health insurance claims on a pay-as-you-go basis. At December 31, 2024, the City estimated \$4,352,865 in health insurance claims were incurred but not reported based on a 3 month run out period. In accordance with the regulatory basis of accounting prescribed by the Division, no amount for claims incurred but not reported have been recorded in the financial statements as of December 31, 2024 and 2023.

New Jersey Intergovernmental Insurance Fund - The City entered into an agreement to participate in the New Jersey Intergovernmental Insurance Fund (“NJIF”). The NJIF was established in 1997 as a self-insured property and casualty insurance program for New Jersey Municipalities. Initially, it began with 14 members and currently has 23 members. The Commissioners of NJIF arrange through their insurance professionals the pooled purchase of insurance utilizing high deductibles and self-insured retentions. The participants share in each other’s losses through the funding of claims under these deductibles.

NOTE 10. FIXED ASSETS

In accordance with accounting practices prescribed by the Division, and as further discussed 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. The City had the following investment balance and activity in general fixed assets as of and for the year ended December 31, 2024:

	Balance			Balance
	Dec. 31, 2023	Additions	Deletions	Dec. 31, 2024
Land	\$ 20,351,200	\$ 267,490	\$ -	\$ 20,618,690
Buildings & Improvements	51,705,099	3,529,371	-	55,234,470
Machinery & Equipment	19,470,175	622,444	-	20,092,619
	<u>\$ 91,526,474</u>	<u>\$ 4,419,305</u>	<u>\$ -</u>	<u>\$ 95,945,779</u>

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 10. FIXED ASSETS (continued)

The City had the following investment balance and activity in general fixed assets as of and for the transition year ended December 31, 2023:

	Balance			Balance	
	June 30, 2023	Additions	Deletions	Dec. 31, 2023	
Land	\$ 20,351,200	\$ -	\$ -	\$ 20,351,200	
Buildings & Improvements	51,324,409	380,690	-	51,705,099	
Machinery & Equipment	16,109,446	3,360,729	-	19,470,175	
	<u>\$ 87,785,055</u>	<u>\$ 3,741,419</u>	<u>\$ -</u>	<u>\$ 91,526,474</u>	

NOTE 11. CLEARING ACCOUNT

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

NOTE 12. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. Budget over-expenditures are required to be raised in the next year's budget. The City has received permission to budget payment of the \$6,050,000 budget deficit emergency authorization over a period of 5 years, beginning in October, 2020. All other deferred charges are funded as required by statute, or by special Local Finance Notice directive as is the case with the COVID-19 revenue loss. At December 31, 2024 and 2023, deferred charges shown on the balance sheets of the Current Fund are as follows:

	Balance	Results of	Reclass	Budget	Balance	Calendar Year	Balance to
	Dec. 31, 2023	Current Year		Appropriations	Dec. 31, 2024	2025 Budget*	Succeeding
						Appropriation	Budgets
Overexpenditures - Current Fund	\$ 1,458,476	\$ 3,208,607	\$ -	\$ 1,458,476	\$ 3,208,607	\$ 3,208,607	\$ -
Operating Deficit	886,337	-	-	886,337	-	-	-
COVID-19 Revenue Loss	1,035,500	-	-	345,230	690,270	453,000	237,270
Emergency Authorizations	11,312,880	-	-	9,125,280	2,187,600	1,095,600	1,092,000
Special Emergency Authorizations (40A:4-53)							
Tax Map	77,800	-	-	38,900	38,900	31,400	7,500
Revaluation	800,000	-	-	200,000	600,000	200,000	400,000
Retirement Benefits	3,960,787	1,084,279	-	1,316,080	3,728,986	1,179,365	2,549,621
	<u>\$ 19,531,780</u>	<u>\$ 4,292,886</u>	<u>\$ -</u>	<u>\$ 13,370,303</u>	<u>\$ 10,454,363</u>	<u>\$ 6,167,972</u>	<u>\$ 4,286,391</u>
	Balance	Results of	Reclass	Budget	Balance	Calendar Year	Balance to
	June 30, 2023	Current Year		Appropriations	Dec. 31, 2023	2024 Budget*	Succeeding
						Appropriation	Budgets
Overexpenditures - Current Fund	\$ 1,458,476	\$ -	-	\$ -	\$ 1,458,476	\$ 1,458,476	\$ -
Operating Deficit	-	886,337	-	-	886,337	886,337	-
COVID-19 Revenue Loss	1,035,500	-	-	-	1,035,500	345,230	690,270
Emergency Authorizations	5,703,600	6,819,280	-	1,210,000	11,312,880	9,125,280	2,187,600
Special Emergency Authorizations (40A:4-53)							
Tax Map	77,800	-	-	-	77,800	38,900	38,900
Revaluation	800,000	-	-	-	800,000	200,000	600,000
Retirement Benefits	3,181,376	779,411	-	-	3,960,787	1,316,080	2,644,707
	<u>\$ 12,256,752</u>	<u>\$ 8,485,028</u>	<u>\$ -</u>	<u>\$ 1,210,000</u>	<u>\$ 19,531,780</u>	<u>\$ 13,370,303</u>	<u>\$ 6,161,477</u>

*Calendar Year 2025 budget not adopted as of the audit report date. 2025 appropriations are subject to change.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 13. INTERFUND TRANSACTIONS

Interfunds receivable remained on the balance sheets of the fund financial statements at December 31, 2024 and 2023. The interfund balances are between the Current Fund and the Federal and State Grant Fund and General Capital Fund. These interfunds are the and are the result of a reclassification of reclassifications of expenditures at year end for which a transfer could not be made on time. As of December 31, 2024 and 2023, there were no outstanding interfund balance son the books of the City.

NOTE 14. RELATED PARTY TRANSACTIONS

The Grace Theatre Workshop, Inc.

The Grace Theatre Workshop, Inc. (“Grace Theatre”) receives CDBG funding passed through the City. Grace Theatre was founded by one of the City’s commissioners. The amount of CDBG funding passed through to Grace Theatre for the years ended December 31, 2043 and 2023 were not material to the financial statements.

Union City Board of Education

The Union City Board of Education (the “Board”) is a Type I School District, therefore, bonds and notes authorized by the Board 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’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 transition year ended December 31, 2024 and 2023, no amounts were required to be budgeted.

No additional Board bonds or notes were authorized or issued during the transition year ended December 31, 2024 and 2023.

The City has agreements with the Board in which the City is to receive reimbursement for the lease of the recreation center, snow removal, solid waste pick up, special resource officer, crossing guards, off duty police officers and pool expenses. During the transition year ended December 31, 2024 and 2023, the City received \$8,132,796 and \$572,306, respectively, for such reimbursements. As of December 31, 2024 and 2023, the City has receivables from the Board of \$2,645,153 and \$1,127,133, respectively, for prior year accrued budget revenues. As described in Note 1, the Board is considered a component unit of the City.

NOTE 15. TAX ABATEMENTS

The City has entered into payment in lieu of taxes (PILOT) agreements with local entities to provide property tax abatements through certain programs authorized by State statutes. These programs include the Long-Term Tax Exemption Law (N.J.S.A. 40A:20 et seq) and the Five-year Exemption and Abatement Law (N.J.S.A. 40A:21 et seq). The City has granted these property tax abatements to foster the development of affordable housing within the City. Under the abatement agreements, taxes are generally calculated and billed at an amount of 6% - 15% of the entities’ net rental income.

In addition, the City has entered into PILOT agreements with local entities whose exemption from all or part of its tax assessment is authorized by N.J.S.A. 54:4-3.3 Exemptions of public property, N.J.S.A. 54:4-3.6 Tax exempt property, and N.J.S.A. 54:4-4 Certain municipal land extending into another county. For the year ended December 31, 2024 and the transition year ended December 31, 2023, the City collected \$554,002 and \$231,816, respectively, in PILOT agreements, and abated property taxes of approximately \$734,638 and \$2,208,537, respectively, in accordance with the terms of the individual abatement agreements.

**CITY OF UNION CITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 16. ECONOMIC DEPENDENCY

The City is a recipient of State Aid. During the year ended December 31, 2024 and the six month transition year ended December 31, 2023, State Aid accounted for 36% and 35%, respectively, of the City’s realized general revenues as identified in Exhibit A-2. Included in this aid is a substantial amount of financial support from the State of New Jersey in the form of Transitional Aid to Localities (Transitional Aid). P.L. 2013, c.77 and P.L. 2011, c.144 condition Transitional Aid on requirements, orders and oversight that the Director of the Division (the “Director”) deems necessary including, but not limited to, requiring approval by the Director of personnel action, professional services and related contracts, payment in lieu of tax agreements, acceptance of grants from state, federal or other organizations, and the creation of new or expanded public services. The minimum conditions on the receipt of the Transitional Aid are set forth by a Memorandum of Understanding with the Director. For the year ended December 31, 2024 and the six month transition year ended December 31, 2023, the City received \$48,726,166 and \$7,000,000, respectively, in various forms of Transitional Aid from the State of New Jersey.

NOTE 17. PREPAID DEBT SERVICE – QUALIFIED BONDS

From July 1, 2023 to December 31, 2023 the City operated on a six-month transition year as an interim period between its fiscal year ended June 30, 2023 and its reversion to a calendar fiscal year beginning January 1, 2024. Since this transition year, Qualified Bond have been made by the State on the City’s behalf and incorporated into the City’s State Aid formula on a State Fiscal Year basis, while the City operations on a Calendar Year. This results in prepaid debt service in the amount of Qualified Bonds paid by the State on the City’s behalf for the six month period subsequent to year end. The following schedule summarizes the State Aid received, qualified bond payments applied and the prepaid amounts as of December 31, 2024 and 2023.

	2024	2023
Balance, Beginning of Year	\$ 1,198,414	\$ -
Add: State Aid	73,467,881	32,169,460
	74,666,295	32,169,460
Less: Received in Cash	66,931,140	25,441,692
Qualified Bond Payments	6,465,111	5,529,354
	\$ 1,270,044	\$ 1,198,414

NOTE 18. CONTINGENT LIABILITIES

TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey and the Hudson County Board of Taxation requesting a reduction of assessments for various years. Any reduction in assessed valuation will result in a refund of prior years’ taxes in the year of settlement, which may be funded from current tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

LITIGATION

The City is a defendant in a number of lawsuits, none of which are unusual for a municipality of its size and scope of operation. The City is also engaged in activities, such as police protection and public works construction, which could result in future litigation with possible significant monetary exposure to the City. Because many lawsuits are still in the discovery stage, the City’s Attorneys are unable to determine the probability of a successful defense to them at this time. In the opinion of the City’s Attorneys the potential claims against the City not covered by insurance policies would not materially affect the financial condition of the City. The following are matters in which extensive damages are claimed by the plaintiff, and could potentially have a material adverse effect to the City.

Just Block 112 LLC, et al vs. City – Plaintiff alleges interference by the City with respect to the plaintiff’s desire (and application) to redevelop certain real property in a neighboring municipality. Counsel representing the City in this case does not anticipate an unfavorable outcome, but the plaintiffs assert damages of \$110,000,000.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 18. CONTINGENT LIABILITIES (continued)

GRANTS

The City participates in several federal, state and local 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 federal and state grants received and expended in the year ended December 31, 2024 and the transition year ended December 31, 2023 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, the federal, state and local grant programs are also subject to compliance and financial audits by the grantor agencies or their representatives. As of December 31, 2024 and 2023, the City does not believe that any material liabilities will result from such audits.

SERVICE AGREEMENTS

NORTH HUDSON SEWERAGE AUTHORITY

The City has entered into a service agreement with the North Hudson Sewerage Authority, (the "NHSA") to provide sewerage services to City residents. The NHSA also provides sewerage services to the communities of Hoboken, Weehawken, and West New York, through separate service agreements. The obligation of the City with respect to its current service agreement pertains to service charges and annual charges attributable to the City, as described below:

Service Charges - The NHSA charges users of its system with respect to all sewage treated or disposed of by the NHSA in accordance with the New Jersey Sewerage Authorities Law, Ch. 138, L. 1946, and in a manner consistent with the submission relied upon by the United States Environmental Protection Agency (EPA) and the New Jersey Department of Environmental Protection (NJDEP) in issuing a federal grant or in such other manner that the EPA and the NJDEP approve.

Such service charges are established at rates estimated to be sufficient to provide for all amounts necessary to provide for the expenses of operation and maintenance of the NHSA's system and the principal and interest on any and all bonds as they become due, to maintain the amounts required to be held on deposit in the sinking fund and the bond reserve fund, and to comply in all respects with the terms and provisions of its general bond resolution, provided, however, that the NHSA may charge service charges which are less than sufficient to comply with the requirements referred to above if each of the constituent municipalities gives its written consent to such lesser service charges. For the transition year ended December 31, 2023 and the fiscal year ended June 30, 2023, the rates charged for sewer services were sufficient to comply with the requirements referred to above.

Annual Charges - Annual charges are based upon the application of a formula. If the application of the formula yields a positive dollar amount for any fiscal year during which the service agreement is in effect, the City shall be obligated to pay to the NHSA its allocable share of such positive dollar amount as an annual charge. Annual charges, if any, are assessed to and payable by the City in the same percentage as the most recent determination by the NHSA of the allocation of the annual flow among the constituent municipalities. The most recent determination by the NHSA of the allocation of the annual flow is as follows: Union City 34%, Hoboken 30%, West New York 27%, and Weehawken 9%.

On or before January 1 of each fiscal year, the NHSA will make an estimate of the amount of the annual charges, if any, which will become payable by the City for such fiscal year. The City will pay to the NHSA that part of the estimated amount of the annual charges for the current fiscal year in four equal installments on March 1, June 1, September 1, and November 1 of such fiscal year. There were no amounts due from the City as of December 31, 2024 and 2023. The NHSA estimates that no amounts will be due from the City for calendar year ending December 31, 2025.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023**

NOTE 18. CONTINGENT LIABILITIES (continued)

NORTH HUDSON REGIONAL FIRE AND RESCUE

On October 1, 1998, the municipalities of North Bergen, Union City, Weehawken and West New York formed an Agreement in order to establish a joint meeting pursuant to the Consolidated Municipal Services Act, N.J.S.A. 40:48B-1 et seq. (the “Act”). The term of the Agreement expires September 30, 2023, but may be subject to earlier termination pursuant to the Act. The entity created by the formation of this joint meeting is known as the North Hudson Regional Fire and Rescue (the “NHRFR”). On December 30, 1998, the Town of Guttenberg was admitted to participate in the NHRFR. The purpose of the NHRFR is to provide for the joint operation of fire protection, rescue and emergency services, and other related governmental services.

The NHRFR is governed by a five-member management committee, consisting of one representative from each municipality, and this committee may appoint one or two executive director(s), and other such officers, employees and counsel as it deems necessary. A municipality’s admission to or withdrawal from the NHRFR requires four votes from the management committee.

Required Contributions by the City - The NHRFR is supported principally by annual contributions from its constituent municipalities. The City’s allocable share is based on each of the four original participating municipalities’ applicable share of the combined fiscal year 1998 fire budgets. Since Guttenberg was admitted after this allocation was decided on, it contributes at an alternatively determined amount. The annual contribution share is subject to an increase based on the percentage of increase of the total fire and rescue related appropriations over the base year. For the year ended December 31, 2024 and the transition year ended December 31, 2023, the City contributed \$22,171,016 and \$10,063,730, respectively, to the NHRFR.

Guarantee of Debt - This capital debt is payable and secured by revenues of the NHRFR. As additional security, each of the municipalities participating in the NHRFR unconditionally guaranteed their percentage share of debt service on the capital debt. In the event that a municipalities’ percentage share of revenues is not sufficient to pay its percentage share of debt service, the municipality is obligated to levy *ad valorem* taxes upon all taxable property within its jurisdiction without limitation as to rate or amount in order to make such payments. For the year ended December 31, 2024 and the transition year ended December 31, 2023, the City was not required to contribute any amount above its percentage share of debt service for the capital debt.

NOTE 19. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 16, 2025, the date which the financial statements were available to be issued. The following material subsequent events have been noted:

On March 4, 2025, the City adopted an ordinance appropriating \$750,000 for the completion of various capital improvements. The City authorized funding from the Capital Improvement Fund to finance the acquisition.

On April 1, 2025, the City adopted an ordinance appropriating \$100,000 for the completion of various capital improvements. The City authorized funding from the Capital Improvement Fund to finance the acquisition.

On April 15, 2025, the City adopted an ordinance appropriating \$300,000 for the completion of various lighting improvements. The City authorized funding from the Capital Improvement Fund to finance the acquisition.

On May 16, 2025, the City adopted an ordinance appropriating \$600,000 for the completion of various lighting improvements. The City authorized funding from the Capital Improvement Fund to finance the acquisition.

On March 13, 2025, the City issued \$15,589,000 of Tax-Exempt County-Guaranteed Pooled Notes through the Hudson County Improvement Authority’s Local Union Loan Program. The notes mature March 12, 2026 at an interest rate of 4%.

The City is expecting to issue \$6,747,000 of General Obligation Bonds, Series 2025, on or around July 1, 2025. Annual principal payments of \$275,000 to \$547,000 are anticipated from 2026 through 2042. The bonds are being issued pursuant to the provisions of the Municipal Qualified Bond Act.

CITY OF UNION CITY

REPORT OF AUDIT

STATISTICAL SECTION

(unaudited)

**CITY OF UNION CITY
 ROSTER OF OFFICIALS IN OFFICE
 JANUARY 1, 2024 THROUGH DECEMBER 31, 2024**

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>	<u>Bond</u>
Mayor and Commissioner of the Department of Public Safety	Brian P. Stack	May 17, 2026	
Commissioner of the Department of:			
Public Affairs	Lucio P. Fernandez	May 17, 2026	
Parks and Recreation	Celin J. Valdivia	May 17, 2026	
Public Works	Wendy Grullon	May 17, 2026	
Revenue and Finance	Maryury A. Martinetti	May 17, 2026	
Acting City Clerk	Hilda I. Rosario		
Corporation Counsel	Donald Scarinci		
Tax Collector	Sonia Schulman		\$ 1,000,000
Chief Financial Officer / Treasurer.....	Tammy Zucca		\$ 1,000,000
Judge	Lilia A. Munoz	December 31, 2025	\$ 1,000,000
Judge.....	Carlos H. Acosta, Jr.	Resigned Oct. 1, 2024	\$ 1,000,000
Court Director	Gustav John Schlaier		\$ 1,000,000

There was a Public Employees Dishonesty Blanket Position Bond with individual coverage of \$1,000,000 for all employees, issued by Fidelity and Deposit Company of Maryland.

FOR THE YEAR ENDED DECEMBER 31, 2024 AND THE TRANSITION YEAR ENDED DECEMBER 31, 2023

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

	December 31, 2024		*December 31, 2023	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized:				
Miscellaneous Revenue Anticipated	\$ 110,449,780	46.72%	\$ 45,999,998	41.91%
Receipts from Delinquent Taxes	20,081	0.01%	12,840	0.01%
Receipts from Current Taxes	122,418,101	51.78%	62,126,875	56.61%
Non-Budget Revenues	544,259	0.23%	1,004,964	0.92%
Other Credits to Income	2,972,810	1.26%	605,991	0.55%
	<u>236,405,031</u>	<u>100.00%</u>	<u>109,750,668</u>	<u>100.00%</u>
Expenditures:				
Budget Appropriations	196,200,918	82.65%	99,683,271	84.31%
School and County Taxes	38,246,863	16.11%	16,090,212	13.61%
Other Charges	2,940,220	1.24%	2,462,213	2.08%
	<u>237,388,001</u>	<u>100.00%</u>	<u>118,235,696</u>	<u>100.00%</u>
Change in Operations, net of Surplus Utilized	(982,970)		(8,485,028)	
Adjustments to Income: Deferred Charges of Budget of Succeeding Year(s)	<u>3,661,652</u>		<u>7,598,691</u>	
Deficit in Operations to be Raised in Budget of Succeeding Year			<u>886,337</u>	
Fund Balance, July 1	<u>9,348,059</u>		<u>9,348,059</u>	
Fund Balance, June 30	<u>\$ 12,026,741</u>		<u>\$ 9,348,059</u>	

* 6 month transition year: July 1, 2023 to December 31, 2023

FIVE-YEAR HISTORY OF TAX RATE AND APPORTIONMENT OF TAX RATE

<u>Year Ended</u>	<u>Total Tax Rate</u>	<u>Municipal</u>	<u>County</u>	<u>Local School</u>
December 31, 2024	1.848	1.275	0.342	0.231
*December 31, 2023	7.688	5.482	1.220	0.986
June 30, 2023	7.688	5.482	1.220	0.986
2022	7.411	5.232	1.185	0.994
2021	7.385	5.194	1.188	1.003

Calendar Year 2024 reflects the first year of a revaluation.

Rates are per \$100 of assessed valuation.

County Tax includes County Open Space

Municipal Tax includes Municipal Library Tax

FIVE-YEAR HISTORY OF TAX LEVIES AND COLLECTIONS

Table 3

<u>Year Ended</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Collection Percentage</u>
December 31, 2024	\$ 123,720,945	\$ 122,418,101	98.95%
*December 31, 2023	61,336,526	61,089,271	99.60%
June 30, 2023	119,154,909	119,127,987	99.98%
2022	114,513,871	113,682,453	99.27%
2021	112,709,909	112,689,174	99.98%

FIVE-YEAR HISTORY OF DELINQUENT TAXES AND TAX TITLE LIENS

Table 4

<u>Year Ended</u>	<u>Liens</u>	<u>Delinquent Taxes</u>	<u>Total</u>	<u>Percent of Tax Levy</u>
December 31, 2024	\$ 36,416	\$ 65,359	\$ 101,775	0.08%
*December 31, 2023	35,400	40,399	75,799	0.12%
June 30, 2023	32,573	20,458	53,031	0.04%
2022	29,551	4,522	34,073	0.03%
2021	26,661	21,847	48,508	0.04%

* 6 month transition year: July 1, 2023 to December 31, 2023

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

<u>Year Ended</u>	<u>Amount</u>
December 31, 2024	\$ -
*December 31, 2023	-
June 30, 2023	-
2022	-
2021	-

FIVE-YEAR HISTORY OF FUND BALANCES - CURRENT FUND

Table 6

<u>Year Ended</u>	<u>Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
December 31, 2024	\$ 12,026,741	\$ - i
*December 31, 2023	9,348,059	- C
June 30, 2023	9,348,059	- *
2022	6,471,744	3,275,535
2021	4,209,405	467,457

* 6 month transition year: July 1, 2023 to December 31, 2023

C Subsequent year is a 12 month calendar year ended December 31, 2024.

i Based on introduced budget. Budget not adopted as of audit report date.

CITY OF UNION CITY

REPORT OF AUDIT

SUPPLEMENTARY DATA SECTION

CITY OF UNION CITY

REPORT OF AUDIT

**SUPPLEMENTARY DATA SECTION:
CURRENT FUND SCHEDULES**

CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT A-4

SCHEDULE OF CASH - TREASURER

	Ref.	Current Fund	State and Federal Grants Fund
Balance, December 31, 2023	A	\$ 7,301,602	\$ 1,821,867
Increased by Receipts:			
Miscellaneous Revenues Not Anticipated	A-2	\$ 544,259	\$ -
State Aid	A-6a	66,931,140	-
Due to State - Payment Error	A-6	10,000,000	-
Tax Collections - Delinquent Taxes	A-2	21,913	-
Tax Collections - Current Taxes	A-2	116,834,807	-
State ARP Disaster Recovery Mitigation	A-2	3,000,000	-
Tax Overpayments	A-8	231,793	-
Revenue Accounts Receivable	A-10	16,556,737	-
Interfunds	A-11 / A-27	19,048,988	-
Veterans and Sr. Citizens Deductions	A-12	22,760	-
Other Receivables	A-14	1,385,498	-
Other Intergovernmental Payables	A-16	840,789	-
Liquor License Retirement	A-17	13,625	-
Prepaid Taxes	A-18	510,958	-
Grants Receivable	A-25	-	14,431,085
Unappropriated Grants	A-28	-	42,709
		<u>235,943,267</u>	<u>14,473,794</u>
		243,244,869	16,295,661
Decreased by Disbursements:			
Refund of Prior Year Revenue	A-1	201,841	-
Current Budget Appropriations	A-3	146,217,207	-
Due to State - Payment Error	A-6	10,000,000	-
Tax Overpayments	A-8	227,266	-
Interfunds	A-11 / A-27	24,993,402	14,008,000
Other Receivables	A-14	1,339,980	-
Appropriation Reserves	A-15	6,156,929	-
Other Intergovernmental Payables	A-16	795,519	-
Local School District Taxes Payable	A-19	15,418,637	-
County Taxes Payable	A-20	22,852,409	-
Accounts Payable	A-21	360,151	-
Special Emergency Notes Paid by Budget	A-24	3,337,000	-
Grants Appropriated	A-26	-	-
		<u>231,900,341</u>	<u>14,008,000</u>
Balance, December 31, 2024	A	<u>\$ 11,344,528</u>	<u>\$ 2,287,661</u>

**CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT A-5

SCHEDULE OF CHANGE FUND

	<u>Ref.</u>	
Balance, December 31, 2024 and 2023	A	<u>\$ 398</u>

SCHEDULE OF DUE TO STATE - OVERPAYMENT RECEIVED

EXHIBIT A-6

	<u>Ref.</u>	
Balance, December 31, 2023	A	\$ -
Increased by:		
Cash Receipts	A-4	<u>10,000,000</u>
		10,000,000
Decreased by:		
Cash Disbursements	A-4	<u>10,000,000</u>
Balance, December 31, 2024	A	<u>\$ -</u>

SCHEDULE OF DUE FROM STATE OF NEW JERSEY PREPAID QUALIFIED BONDS

EXHIBIT A-6a

	<u>Ref.</u>		
Balance, December 31, 2023	A		\$ 1,198,414
Increased by:			
State Aid Anticipated	A-2	\$ 71,467,881	
Converted to REAP by State	A-2	<u>2,000,000</u>	
			<u>73,467,881</u>
			74,666,295
Decreased by:			
Cash Receipts	A-4	66,931,140	
Debt Service Paid In Lieu of Aid Receipts	A-3	<u>6,465,111</u>	
			<u>73,396,251</u>
Balance, December 31, 2024	A		<u>\$ 1,270,044</u>

**CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT A-7

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	Added Taxes	2024 Tax Levy	Collections		Senior Citizens and Veterans Deductions	Transferred to Tax Title Liens	Cancellations	Balance
	Dec. 31, 2023			July 1, 2023- Dec. 31, 2023	2024				Dec. 31, 2024
Prior Year Tax	40,399	\$ -	\$ -	\$ -	\$ 21,913	\$ (1,832)	\$ -	\$ 9,179	\$ 11,139
Current Year	-	-	123,720,945	558,171	121,836,930	23,000	3,685	1,244,939	54,220
	<u>\$ 40,399</u>	<u>\$ -</u>	<u>\$ 123,720,945</u>	<u>\$ 558,171</u>	<u>\$ 121,858,843</u>	<u>\$ 21,168</u>	<u>\$ 3,685</u>	<u>\$ 1,254,118</u>	<u>\$ 65,359</u>
	A			A-18	A-2	A-12	A-13		A

Analysis of Property Tax Levy:

Tax Yield:		2024 Collections	Delinquent	Current
General Purpose Tax	\$ 118,596,588	2024 Collections	\$ 21,913	\$ 121,836,930
Regional Efficiency Aid Program (REAP)	4,996,630	Collections 7/1/23-12/31/23	-	558,171
Added Taxes (N.J.S.A. 54:4-63.1 et. seq.)	127,727	Senior Citizen and Veteran Deductions	(1,832)	23,000
	123,720,945		<u>\$ 20,081</u>	<u>\$ 122,418,101</u>
Reduction due to Tax Appeals	1,419,067		A-2	A-2
	<u>\$ 122,301,878</u>			

Tax Levy

Local District School Tax	A-19	\$ 15,418,637
County Taxes	A-20	22,186,210
County Open Space Taxes	A-20	618,443
Due to County for Added Taxes	A-20	23,573
Amount to be Raised by Taxes	A-2	85,307,545
Added and Omitted Assessments		104,154
Difference to Levy as Assessed		62,383
		<u>\$ 123,720,945</u>

**CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT A-8

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2023	<u>Ref.</u> A		\$ 8,946
Increased by:			
Reclassified from Tax Collections for:			
County Tax Appeals		\$ 78,480	
State Tax Appeals		65,006	
Cash Overpayments		<u>88,307</u>	
	A-4		<u>231,793</u>
			240,739
Decreased by:			
Cash Disbursements	A-4	\$ 227,266	
Apply to Current Year Taxes	A-2	<u>2,123</u>	
			<u>229,389</u>
Balance, December 31, 2024	A		<u><u>\$ 11,350</u></u>

SCHEDULE OF DUE FROM PROPERTY OWNERS - RELOCATION ASSISTANCE

EXHIBIT A-9

Balance, December 31, 2023	<u>Ref.</u> A		\$ 228,990
Decreased by:			
Reclassification of Prior Tax Lien Cash Receipt			<u>97,072</u>
Balance, December 31, 2024	A		<u><u>\$ 131,918</u></u>

CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT A-10

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2023	Accruals	Collections	Other	Balance Dec. 31, 2024
Licenses:					
Alcoholic Beverage	\$ -	\$ 228,411	\$ 228,411	\$ -	\$ -
Other	-	121,720	121,720	-	-
Fees and Permits	-	202,511	202,511	-	-
Fines and Costs Municipal Court	126,194	1,922,444	1,850,799	-	197,839
Interest and Costs on Taxes	-	249,213	249,213	-	-
Interest on Investments and Deposits	-	965,648	965,648	-	-
Wedding Fees	-	43,709	43,709	-	-
City Share of Police Details	-	105,950	105,950	-	-
Public Telephone Commissions	-	91,555	91,555	-	-
Cable Franchise Fees	-	179,421	179,421	-	-
Payment in Lieu of Taxes:					
Union Plaza Apartments	-	379,274	379,274	-	-
Palisade Urban Renewal Assoc.	13,745	46,965	60,710	-	-
Holy Rosary	-	30,976	30,976	-	-
Horizon Heights	-	15,211	15,211	-	-
Serv Properties	466	13,440	13,440	-	466
Suede Promotions	-	15,000	15,000	-	-
Monastery Redevelopment Group	-	39,391	39,391	-	-
Uniform Construction Code Fees	-	1,491,559	1,491,559	-	-
Union City Board of Education:					
Solid Waste Removal	-	522,904	392,180	-	130,724
47th Street Pool	56,667	136,000	181,334	-	11,333
Lease Recreational Center	-	450,000	450,000	-	-
Off Duty Police Officers	281,182	514,938	796,120	-	-
Police Services - SLEO III's	283,816	686,581	718,548	-	251,849
Police Services - School Resource	447,162	957,032	1,004,561	-	399,633
School Crossing Guards	1,576,326	3,347,321	4,590,053	-	333,594
Rental Income Teamsters Building	-	130,455	120,629	-	9,826
Emergency Medical Services	-	1,752,344	1,752,344	-	-
Reserve for Debt Service	-	29,007	-	29,007	-
Five Year Abatement Program	-	466,470	466,470	-	-
	<u>\$ 2,785,558</u>	<u>\$ 15,135,450</u>	<u>\$ 16,556,737</u>	<u>\$ 29,007</u>	<u>\$ 1,335,264</u>
	A		A-2, A-4	A-2, A-11	A

CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT A-11

SCHEDULE OF INTERFUNDS ACTIVITY

	Ref.	Total	General Capital Fund	Federal and State Grant Fund	Other Trust Fund	Animal Control Trust Fund	Public Defender	CDA Trust Fund
Increased by:								
Cash Disbursements								
On Behalf of Other Funds	A-4	\$ 24,993,402	\$ 7,807,037	\$ 14,429,275	\$ 1,818,153	\$ 1,083	\$ 4,125	\$ 933,729
Statutory Excess	A-1	10,412	-	-	-	10,412	-	-
Anticipated in Budget:								
Reserve for Debt Service	A-10	29,007	29,007	-	-	-	-	-
Grant Revenue As Adopted	A-2	18,576,929	-	18,576,929	-	-	-	-
Grants Added by 40A:4-87	A-2	3,819,226	-	3,819,226	-	-	-	-
		<u>47,428,976</u>	<u>7,836,044</u>	<u>36,825,430</u>	<u>1,818,153</u>	<u>11,495</u>	<u>4,125</u>	<u>933,729</u>
Decreased by:								
Appropriations Due to Other Funds:								
Grants Appropriated		22,396,155	-	22,396,155	-	-	-	-
Grant Matches		5,251	-	5,251	-	-	-	-
Capital Improvement Fund		<u>1,000,000</u>	<u>1,000,000</u>	-	-	-	-	-
Total Appropriations Due Funds	A-3	23,401,406	1,000,000	22,401,406	-	-	-	-
Grant Receivable Writeoffs	A-1	434,742	-	434,742	-	-	-	-
Reimburse Other Fund	A-14	10,468	-	10,468	-	-	-	-
Cash Receipts	A-4	19,048,988	2,283,954	13,997,532	1,818,153	11,495	4,125	933,729
		<u>42,895,604</u>	<u>3,283,954</u>	<u>36,844,148</u>	<u>1,818,153</u>	<u>11,495</u>	<u>4,125</u>	<u>933,729</u>
Net Change in Interfunds		4,533,372	4,552,090	(18,718)	-	-	-	-
Balance, December 31, 2023								
Interfunds Receivable	A, A-1	18,718	-	18,718	-	-	-	-
Interfunds Payable	A	<u>4,552,090</u>	<u>4,552,090</u>	-	-	-	-	-
Balance, December 31, 2024								
Interfunds Receivable	A, A-1	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Interfunds Payable	A	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT A-12

SCHEDULE OF DUE FROM STATE OF NEW JERSEY FOR SR. CITIZENS AND VETERANS DEDUCTIONS

	<u>Ref.</u>		
Increased by:			
Senior Citizen Deductions Per Tax Billings		\$ 11,000	
Veteran Deductions Per Tax Billings		13,500	
Allowed by Tax Collector			
Current Year		<u>250</u>	
			\$ 24,750
Decreased by:			
Senior Citizen and Veteran Deductions			
Disallowed by Tax Collector:			
Current Year		1,750	
Prior Year		<u>1,832</u>	
			<u>3,582</u>
State Share of Senior Citizen and Veteran Deductions	A-7		21,168
Less:			
Disallowed by Sate Audit of Deductions	A-1	250	
Cash Receipts	A-4	<u>22,760</u>	
			<u>23,010</u>
Net Change in Senior Citizen and Veteran Deductions			(1,842)
Balance, December 31, 2023			
Receivable	A		<u>14,092</u>
Balance, December 31, 2024			
Receivable	A		<u><u>\$ 12,250</u></u>

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

EXHIBIT A-13

	<u>Ref.</u>		
Balance, December 31, 2023	A		\$ 35,400
Increased by:			
Transfer from Taxes Receivable	A-7		<u>3,685</u>
			39,085
Decreased by:			
Cancellations			<u>2,669</u>
Balance, December 31, 2024	A		<u><u>\$ 36,416</u></u>

SCHEDULE OF OTHER RECEIVABLES

	Balance Dec. 31, 2023	Increased by:			Decreased by:	Balance Dec. 31, 2024
		Budget Reimbursements	Interfunds	Cash Disbursements	Cash Receipts	
Due from:						
Due from Vendors	\$ 352	\$ -	\$ -	\$ -	\$ 352	\$ -
Stop Loss Premiums	584,020	-	-	-	584,020	-
Health Benefit Back Deductions	-	39,419	-	-	-	39,419
Employee Overpayment	-	-	10,468	-	-	10,468
Pension Deduction Shortage	-	-	-	1,060	1,060	-
Board of Ed - Details	560	-	-	-	560	-
Retirement Pay - Police	300	-	-	-	300	-
BOE - Crossing Guard Summer	799,206	-	-	-	799,206	-
Union City Parking Authority	914,580	-	-	1,338,920	-	2,253,500
	<u>\$ 2,299,018</u>	<u>\$ 39,419</u>	<u>\$ 10,468</u>	<u>\$ 1,339,980</u>	<u>\$ 1,385,498</u>	<u>\$ 2,303,387</u>
	A, A-1	A-3	A-11	A-4	A-4	A, A-1

SCHEDULE OF APPROPRIATION RESERVES

	Balance, December 31, 2023		Balance After Transfers	Paid or Charged	Accounts Payable	Balance Lapsed	Over Expended
	Reserved	Encumbered					
(A) Operations - Within "CAPS"							
Department of Public Affairs:							
Director's Office							
Other Expenses	\$ 4,207	\$ -	\$ 140	140	\$ -	\$ -	\$ -
Municipal Court							
Other Expenses	-	7,943	39,869	47,181	-	-	7,312
Public Defender							
Other Expenses	-	-	5,650	5,650	-	-	-
Senior Citizens							
Salaries and Wages	13,845	-	-	-	-	-	-
Other Expenses	-	-	2,134	3,042	-	-	908
Hispanic/Cultural Affairs							
Other Expenses	-	2,025	2,025	2,025	-	-	-
North Hudson Council of Mayors							
Other Expenses	50,000	-	44,338	44,338	-	-	-
Municipal Land Use Law (NJS 40:55D-1)							
Regional Planning Board							
Other Expenses	-	44	5,280	5,166	-	114	-
Continuous Planning Program							
Other Expenses	7,142	5,400	22,038	22,038	-	-	-
Celebration of Public Events							
Other Expenses	-	1,881	1,996	1,996	-	-	-
Department of Revenue and Finance:							
City Clerk's Office							
Other Expenses	-	6,969	15,074	12,403	1,504	1,167	-
Treasurer's Office							
Salaries and Wages	4,461	-	-	-	-	-	-
Other Expenses	12,772	62,931	73,357	73,357	-	-	-
Collection of Taxes							
Other Expenses	-	3,015	3,214	199	3,015	-	-
Central Purchasing							
Other Expenses	-	-	31	31	-	-	-
Rent Control Board							
Other Expenses	-	-	2,444	2,444	-	-	-
Insurance							
General Liability	350	-	350	120,701	-	-	120,351
Workers Compensation	934	25,000	8,824	8,749	-	75	-
Employee Group Health	852,786	2,034,401	2,435,523	1,872,875	87,865	474,783	-
Tax Searches							
Other Expenses	125	-	-	-	-	-	-
Elections							
Other Expenses	-	2,525	6,535	6,535	-	-	-
Membership NJ League of Municipalities							
Other Expenses	-	145	145	145	-	-	-
Annual Audit							
Other Expenses	48,500	-	48,500	21,750	26,750	-	-
Printing - All Departments							
Other Expenses	-	-	26,770	26,770	-	-	-
Photocopying							
Other Expenses	-	1,394	2,438	2,438	-	-	-
Tax Sale Costs							
Other Expenses	5,000	-	6,840	6,840	-	-	-
Data Processing							
Other Expenses	130,000	-	130,000	130,000	-	-	-
Department of Public Safety:							
Director's Office							
Salaries and Wages	17,441	-	-	-	-	-	-
Other Expenses	-	10,363	13,433	13,433	-	-	-
Legal Department							
Tenant Advocacy	-	-	488	488	-	-	-
Other Expenses	1	189,086	360,310	499,394	-	-	139,084
Police Department							
Salaries and Wages	25,000	-	-	(11,416)	-	11,416	-
Overtime	-	-	-	-	-	-	-
Other Expenses	-	170,150	181,645	201,843	-	-	20,198
Traffic Signs and Safety							
Other Expenses	35,000	-	35,000	35,000	-	-	-
Emergency Management Services							
Other Expenses	-	144	144	144	-	-	-
Emergency Medical Services							
Other Expenses	-	20,499	24,272	20,882	295	3,095	-

SCHEDULE OF APPROPRIATION RESERVES

	Balance, December 31, 2023		Balance After Transfers	Paid or Charged	Accounts Payable	Balance Lapsed	Over Expended
	Reserved	Encumbered					
(A) Operations - Within "CAPS"							
Life Hazard Use Fee-Uniform Fire Safety							
Other Expenses	\$ 172	\$ 380	\$ 156	\$ 156	\$ -	\$ -	\$ -
Fleet Maintenance							
Other Expenses	-	26,680	123,056	128,971	-	-	5,915
Department of Public Safety:							
Board of Health							
Other Expenses	-	-	5,525	5,525	-	-	-
Welfare							
Relocation Assistance	-	5,015	3,315	(6,400)	-	9,715	-
Department of Public Works:							
Director's Office							
Other Expenses	-	1,667	4,170	4,138	-	32	-
Street Cleaning							
Salaries and Wages	490	-	-	-	-	-	-
Other Expenses	-	549	875	326	549	-	-
Solid Waste Disposal							
Other Expenses	-	-	-	108,479	-	-	108,479
Board of Adjustment							
Other Expenses	-	6,000	6,000	6,000	-	-	-
Engineering Services							
Other Expenses	960	10,700	11,660	236,814	-	-	225,154
Public Assistance							
Other Expenses	-	4,218	26,087	24,937	614	536	-
Department of Parks and Public Property:							
Parks and Playgrounds							
Other Expenses	-	87,632	103,372	46,390	1,824	55,158	-
Public Buildings and Grounds							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	2,183	59,928	179,067	171,266	4,244	3,557	-
Recreation							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	-	90,178	104,131	67,041	-	37,090	-
Uniform Construction Code:							
State Uniform Construction Code Officials:							
Other Expenses	-	61,058	54,154	50,985	3,169	-	-
Fire Inspector							
Other Expenses	-	7,763	9,533	4,434	540	4,559	-
Unclassified:							
Retirement Benefits	200,000	-	200,000	-	200,000	-	-
Gasoline	-	50,000	45,046	45,046	-	-	-
Telephone	-	50	29,130	29,130	-	-	-
Electricity	-	-	52,119	52,119	-	-	-
Water	-	-	3,893	3,893	-	-	-
Deferred Charges and Statutory Expenditures -							
Prior Year Bills - Traffic Lights	-	93,953	93,953	93,953	-	-	-
Statutory Expenditures - Contributions to:							
PERS	-	-	-	-	-	-	-
Social Security System	1,913	-	-	-	-	-	-
DCRP	-	-	139	139	-	-	-
Unemployment Insurance	282	206,400	115,462	115,462	-	-	-
Other Operations Excluded from "CAPS"							
Free Public Library	-	137,610	137,610	137,610	-	-	-
North Hudson Fire & Rescue	-	1,650,101	1,650,101	1,650,101	-	-	-
Capital Lease - Principal	-	-	-	3,833	-	-	3,833
Total General Appropriations	\$ 1,413,564	\$ 5,043,797	\$ 6,457,361	\$ 6,156,929	\$ 330,369	\$ 601,297	\$ 631,234
	A	A-22		A-4	A-21	A-1	A-23

**CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT A-16

SCHEDULE OF OTHER INTERGOVERNMENTAL PAYABLES

	Balance Dec. 31, 2023	Increased by: Cash Receipts	Decreased by: Cash Disbursements	Balance Dec. 31, 2024
Due to:				
Union City Parking Authority	\$ -	\$ 775,411	\$ 775,411	\$ -
State of New Jersey:				
Training Fees	7,598	53,503	16,133	44,968
Marriage License Fees	7,325	11,875	3,975	15,225
	<u>\$ 14,923</u>	<u>\$ 840,789</u>	<u>\$ 795,519</u>	<u>\$ 60,193</u>
	A	A-4	A-4	A

**CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT A-17

SCHEDULE OF RESERVE FOR LIQUOR LICENSE RETIREMENT

Balance, December 31, 2023	<u>Ref.</u> A	\$ 58,715
Increased by:		
Cash Receipts	A-4	<u>13,625</u>
Balance, December 31, 2024	A	<u><u>\$ 72,340</u></u>

SCHEDULE OF PREPAID TAXES

EXHIBIT A-18

Balance, December 31, 2023	<u>Ref.</u> A	\$ 558,171
Increased by:		
Cash Collections	A-4	<u>510,958</u>
		1,069,129
Decreased by:		
Applied to 2024 Taxes	A-7	<u>558,171</u>
Balance, December 31, 2024	A	<u><u>\$ 510,958</u></u>

SCHEDULE OF RESERVE FOR RETRO PAY

EXHIBIT A-18a

Balance, December 31, 2023	<u>Ref.</u> A	\$ -
Increased by:		
Current Budget Appropriations	A-3	<u>374,000</u>
Balance, December 31, 2024	A	<u><u>\$ 374,000</u></u>

**CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT A-19

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

Balance, December 31, 2023	<u>Ref.</u> A	\$ -
Increased by:		
Levy School Year (July to December)	A-1, A-2, A-7	15,418,637
		<u>15,418,637</u>
Decreased by:		
Cash Disbursements	A-4	15,418,637
		<u>15,418,637</u>
Balance, December 31, 2024	A	<u>\$ -</u>

SCHEDULE OF COUNTY TAXES PAYABLE

EXHIBIT A-20

Balance, December 31, 2023	<u>Ref.</u> A	\$ 47,756
Increased by:		
County Taxes	A-7	\$ 22,186,210
County Open Space Taxes	A-7	618,443
	A-1	<u>22,804,653</u>
Added Taxes	A-1, A-7	23,573
	A-2	<u>22,828,226</u>
		22,875,982
Decreased by:		
Cash Disbursements	A-4	22,852,409
		<u>22,852,409</u>
Balance, December 31, 2024	A	<u>\$ 23,573</u>

**CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT A-21

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2023	<u>Ref.</u> A		\$ 507,265
Increased by:			
Charges to Appropriation Reserves	A-15		<u>330,369</u>
			837,634
Decreased by:			
Cancelled	A-1	\$ 43,365	
Cash Disbursements	A-4	<u>360,151</u>	
			<u>403,516</u>
Balance, December 31, 2024	A		<u><u>\$ 434,118</u></u>

SCHEDULE OF RESERVE FOR ENCUMBRANCES

EXHIBIT A-22

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Increased by:			
Current Year Appropriations	A-3	\$ 6,039,530	\$ -
Grants Appropriated	A-26	<u>-</u>	<u>1,884,826</u>
		<u>6,039,530</u>	<u>1,884,826</u>
Decreased by:			
Appropriation Reserves	A-15	5,043,797	-
Grants Appropriated	A-26	<u>-</u>	<u>676,727</u>
		<u>5,043,797</u>	<u>676,727</u>
Net Change in Encumbrances		995,733	1,208,099
Balance, December 31, 2023	A	<u>5,043,797</u>	<u>676,727</u>
Balance, December 31, 2024	A	<u><u>\$ 6,039,530</u></u>	<u><u>\$ 1,884,826</u></u>

**CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT A-23

SCHEDULE OF DEFERRED CHARGES

	Original Amount	Balance Dec. 31, 2023	Current Budget Overexpended	Increased by:		Budget Appropriations	Balance Dec. 31, 2024
				Appropriation Reserves Overexpended	Emergencies		
Overexpenditures - Current Fund:							
Appropriation Reserves	\$ 1,458,476	\$ 1,458,476	\$ -	\$ 631,234	\$ -	\$ 1,458,476	\$ 631,234
Budget Appropriations	2,577,373	-	2,577,373	-	-	-	2,577,373
Budget Deficit (Transition Year 2023)	886,337	886,337	-	-	-	886,337	-
Emergency Authorizations (40A:4-46)							
Budget Deficit (Ord. 2019-14)	6,050,000	1,210,000	-	-	-	1,210,000	-
Budget Appropriations (Reso 12/28-3)	6,819,280	6,819,280	-	-	-	6,819,280	-
COVID Expenditures - Health Insurance & Solid Waste Removal							
2020 (June 23, 2020)	5,476,657	3,283,600	-	-	-	1,096,000	2,187,600
COVID-19 Revenue Loss	1,726,143	1,035,500	-	-	-	345,230	690,270
Special Emergency Authorizations (NJSA 40A:4-53.a)							
Preparation of Tax Map							
2020 (April 16, 2020)	194,500	77,800	-	-	-	38,900	38,900
Revaluation							
2022	1,000,000	800,000	-	-	-	200,000	600,000
Special Emergency Authorizations (NJSA 40A:4-53.h)							
Contractually Required Severance Liabilities							
2018 (Ord. 2018-38)	733,555	119,200	-	-	-	119,200	-
2019 (Ord. 2018-37)	1,012,741	167,000	-	-	-	167,000	-
2020 (Reso. June 23, 2020)	673,829	269,000	-	-	-	134,770	134,230
2021 (Reso. June 30, 2021)	1,093,199	597,099	-	-	-	281,700	315,399
2022	1,292,597	1,034,077	-	-	-	258,527	775,550
2023	995,000	995,000	-	-	-	199,000	796,000
TY2023 (Reso. 2023-80)	779,411	779,411	-	-	-	155,883	623,528
CY 2024 (Ord. 2024-29)	1,084,279	-	-	-	1,084,279	-	1,084,279
		<u>\$ 19,531,780</u>	<u>\$ 2,577,373</u>	<u>\$ 631,234</u>	<u>\$ 1,084,279</u>	<u>\$ 13,370,303</u>	<u>\$ 10,454,363</u>
		A	A-3	A-15	A-3	A-3	A

CITY OF UNION CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT A-24

SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

Ordinance Number	Original		Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2023	Notes Issued	Decreased by:		Balance Dec. 31, 2024
	Date of Issue	Amount						Notes Refunded	Paid by Budget Appropriation	
Series 2023B-2 (Federally Taxable) (HCIA Local Unit Loan Program)										
Budget Deficit State Loan:										
2019-14	06/24/2019	\$ 6,050,000	07/25/2023	07/24/2024	6.250%	\$ 1,210,000	\$ -	\$ -	\$ 1,210,000	\$ -
Series 2023A (Tax Exempt) (HCIA Local Unit Loan Program)										
COVID Emergency Authorizations of June 23, 2020										
Health Insurance										
*	4/29/2021	4,219,789	04/06/2023	04/05/2024	4.250%	2,530,004	-	1,685,600	844,404	-
Solid Waste										
*	4/29/2021	1,255,611	04/06/2023	04/05/2024	4.250%	753,996	-	502,400	251,596	-
Series 2024A (Tax Exempt) (HCIA Local Unit Loan Program)										
COVID Emergency Authorizations of June 23, 2020										
Health Insurance										
*	4/29/2021	4,219,789	03/26/2024	03/25/2025	4.250%	-	1,685,600	-	-	1,685,600
Solid Waste										
*	4/29/2021	1,255,611	03/26/2024	03/25/2025	4.250%	-	502,400	-	-	502,400
Special Emergency Notes, Series A of 2023 (Federally Taxable)										
Contractually Required Severance Liabilities										
2018-37	12/12/2014	1,012,741	01/25/2023	01/23/2024	4.100%	167,000	-	-	167,000	-
2018-38	10/10/2018	1,732,769	01/25/2023	01/23/2024	4.100%	380,000	-	-	380,000	-
Special Emergency Notes, Series A of 2024 (Federally Taxable)										
Preparation of Tax Map										
*	4/29/2021	155,000	03/13/2024	03/12/2025	4.900%	-	38,900	-	-	38,900
COVID-19 Revenue Loss										
*	4/29/2021	1,726,000	03/13/2024	03/12/2025	4.900%	-	690,270	-	-	690,270
*	4/29/2021	539,000	03/13/2024	03/12/2025	4.900%	-	238,830	-	-	238,830
Series B of 2023 (Federally Taxable)										
Preparation of Tax Map										
*	4/29/2021	155,000	03/22/2023	03/14/2024	4.300%	93,000	-	38,900	54,100	-
COVID-19 Revenue Loss										
*	4/29/2021	1,726,000	03/22/2023	03/14/2024	4.300%	1,035,600	-	690,270	345,330	-
*	4/29/2021	539,000	03/22/2023	03/14/2024	4.300%	323,400	-	238,830	84,570	-
						<u>\$ 6,493,000</u>	<u>\$ 3,156,000</u>	<u>\$ 3,156,000</u>	<u>\$ 3,337,000</u>	<u>\$ 3,156,000</u>
				<u>Ref.</u>		<u>A</u>			<u>A-4</u>	<u>A</u>
				Series A of 2023		\$ 547,000		Series 2024A		\$ 2,188,000
				Series B of 2023		1,452,000		Series A of 2024		968,000
				Series 2023A		3,284,000				<u>3,156,000</u>
				Series 2023B-2		1,210,000				
						<u>\$ 6,493,000</u>				

SCHEDULE OF GRANTS RECEIVABLE

Budget Year	Balance Dec. 31, 2023	Anticipated in Budget		Received	Transfer from Unappropriated Reserve	Reallocated / Cancelled	Balance Dec. 31, 2024
		As Adopted	As Added by 40A:4-87				
FEDERAL GRANTS							
U.S. Department of Health and Human Services:							
Drug Free Community							
TY2023	\$ 95,528	\$ -	\$ -	\$ 95,528	\$ -	\$ -	\$ -
2024	-	-	125,000	30,555	-	-	94,445
Passed through NJ Department of Health							
Strengthening Local Public Health Capacity							
TY2023	406,046	-	-	338,500	-	67,546	-
2023	129,835	-	-	100,390	-	29,445	-
2024	-	74,664	-	10,691	-	-	63,973
U.S. Department of Justice:							
Bulletproof Vest Partnership Program							
2021	16,660	-	-	16,660	-	-	-
2018	9,476	-	-	9,476	-	-	-
2020	11,522	-	-	11,522	-	-	-
2023	7,784	-	-	3,184	-	-	4,600
TY23	42,297	-	-	-	-	-	42,297
2024	-	-	32,607	-	-	-	32,607
COPS Hiring Program							
2023	3,654,423	-	-	529,492	-	-	3,124,931
COPS Technology & Equipment							
2023	836,473	-	-	357,140	-	-	479,333
TY23	1,200,000	-	-	943,121	-	-	256,879
Edward Byrne Memorial Justice Assistance Grant (JAG)							
2022	24,643	-	-	24,643	-	-	-
TY23	28,718	-	-	-	-	-	28,718
2024	-	-	26,567	-	-	-	26,567
2024	-	-	32,408	-	-	-	32,408
National Incident-Based Reporting System (NIBRS) Compliance Grant							
2024	-	-	75,000	-	-	-	75,000
Passed through NJ Department of Law and Public Safety:							
Pedestrian Safety							
TY23	35,000	-	-	35,000	-	-	-
U.S. Department of Agriculture:							
Pass through Entity: State of NJ Department of Health							
Spotted Lanternfly Treatment Program							
TY23	15,000	-	-	-	-	-	15,000
2024	-	20,000	-	-	-	-	20,000
U.S. Department of Transportation:							
Passed through NJ Department of Transportation:							
Congressional Grant - Central Ave Corridor Improvements							
TY23	1,103,850	-	-	-	-	-	1,103,850
Passed through NJ Department of Law and Public Safety:							
National Highway Traffic Safety Association - Click it or Ticket							
2024	-	10,500	-	9,765	-	735	-
Sustained Traffic Enforcement Program Grant (STEP) (Massachusetts)							
2024	-	-	52,000	-	-	-	52,000
Body Worn Camera Grant							
2022	401,957	-	-	210,894	-	-	191,063
Distracted Driving Crackdown Grant							
2024	-	12,250	-	-	-	12,250	-
Automated License Plate Reader Program							
TY23	222,000	-	-	221,500	-	500	-
Drive Sober or Get Pulled Over							
TY23	8,750	-	-	7,070	-	1,680	-
Energy Efficiency & Conservation Block Grant Program (EECBG)							
2024	-	123,130	-	-	-	-	123,130
Total Federal	\$ 8,249,962	\$ 240,544	\$ 343,582	\$ 2,955,131	\$ -	\$ 112,156	\$ 5,766,801

SCHEDULE OF GRANTS RECEIVABLE

Budget Year	Balance Dec. 31, 2023	Anticipated in Budget		Received	Transfer from Unappropriated Reserve	Reallocated / Cancelled	Balance Dec. 31, 2024
		As Adopted	As Added by 40A:4-87				
STATE GRANTS							
NJ Department of Transportation Transportation Trust Fund:							
2021 Various Streets - FY 21 Municipal Aid							
2021	\$ 720,000	\$ -	\$ -	\$ 292,693	\$ -	\$ 427,307	\$ -
2021 Various Streets - FY 19 Urban Aid							
2021	195,396	-	-	195,396	-	-	-
Kerrigan Avenue - LAIF Discretionary Funds							
2018	709,126	-	-	-	-	438,051	271,075
Hudson Avenue							
2024	-	4,000,000	-	-	-	-	4,000,000
Central Ave Corridor Improvements - Local Aid Infrastructure							
2022	900,000	-	-	900,000	-	-	-
13th, 42nd and 47th Streets - Municipal Aid Program							
2022	215,544	-	-	215,544	-	-	-
13th, 37th and 38th Streets - Municipal Aid Program							
2023	587,212	-	-	266,950	-	320,262	-
Local Transportation Projects Fund							
13th, 37th and 38th Street Improvements							
TY23	299,000	-	-	-	-	299,000	-
13th, 42nd and 47th Street Improvements							
TY23	443,000	-	-	383,862	-	59,138	-
18th, 19th and 16th Street Improvements							
TY23	860,394	-	-	645,295	-	-	215,099
36th - 39th St Bergenline to JFK							
2024	-	4,500,000	-	-	-	-	4,500,000
Local Aid Infrastructure Fund (LAIF)							
Road Improvement 37th & 38th							
2024	-	1,700,000	-	1,007,262	-	-	692,738
NJ Department of Law and Public Safety:							
Body Armor Fund							
2024	-	10,930	-	-	10,930	-	-
2024	-	-	13,119	13,119	-	-	-
NJ Department of Community Affairs:							
Urban Enterprize Zone (UEZ) Assistance Fund							
2024	-	1,774,933	1,811,223	1,774,933	-	-	1,811,223
41st Street Park Grant							
2023	850,000	-	-	-	-	-	850,000
Local Recreation Gant - Pool Improvements							
TY23	97,000	-	-	86,300	-	10,700	-
DCA Social Services Grant							
2024	-	5,000,000	-	3,750,000	-	-	1,250,000
NJ Department of Environmental Protection:							
Green Acres Trust Fund Grant - 44th St Acquisition							
2020	675,000	-	-	-	-	-	675,000
Green Acres Trust Fund Grant - 4100 Palisade Ave.							
2022	1,000,000	-	-	-	-	-	1,000,000
2024	-	-	886,000	-	-	-	886,000
Green Acres - 4100 Palisade Ave. - Urban Parks							
2022	500,000	-	-	-	-	-	500,000
2023	225,000	-	-	-	-	-	225,000
Clean Communities Grant							
2024	-	118,532	-	118,532	-	-	-
Electric Vehicle DC Fast Charger Community Grant							
It Pay\$ to Plug							
2023	150,000	-	-	-	-	-	150,000
TY23	24,000	-	-	-	-	24,000	-
TY23	24,000	-	-	-	-	-	24,000
TY23	24,000	-	-	-	-	-	24,000
2024	-	24,000	-	-	-	-	24,000
NJ Department of Environmental Protection							
Clean Energy Electric Vehicle Tourism Grant							
2023	42,000	-	-	11,583	-	-	30,417
Recycling Tonnage Grant							
2024	-	29,987	-	29,987	-	-	-

SCHEDULE OF GRANTS RECEIVABLE

	Budget Year	Balance Dec. 31, 2023	Anticipated in Budget		Received	Transfer from Unappropriated Reserve	Reallocated / Cancelled	Balance Dec. 31, 2024
			As Adopted	As Added by 40A:4-87				
STATE GRANTS (continued)								
NJ Administrative Office of the Courts:								
Alcohol Education								
2024	\$	-	\$ 3,065	\$ -	\$ 3,065	\$ -	\$ -	\$ -
NJ Department of Treasury:								
Passed through County of Hudson:								
Municipal Alliance on Alcoholism and Drug Abuse								
TY23		21,005	-	-	21,005	-	-	-
2024		-	21,005	-	-	-	-	21,005
Youth Leadership Municipal Alliance								
TY23		7,616	-	-	7,616	-	-	-
Total State		8,569,293	17,182,452	2,710,342	9,723,142	10,930	1,578,458	17,149,557
COUNTY GRANTS								
County of Hudson:								
History Partnership Program								
2024		-	9,900	-	8,018	-	-	1,882
Local Arts Program								
2024		-	5,874	-	4,689	-	-	1,185
Open Space Trust Fund:								
Washington Park Soccer Field Improvements								
TY23		201,000	-	-	133,613	-	67,387	-
4100 Palisade Avenue Acquisition								
TY23		147,225	-	-	-	-	(67,387)	214,612
4100 Palisade Ave								
2022		271,525	-	-	-	-	-	271,525
4100 Palisade Ave Soccer Field								
2024		-	-	216,000	-	-	-	216,000
Liberty Place Playground								
2024		-	-	500,000	-	-	-	500,000
Total County		619,750	15,774	716,000	146,320	-	-	1,205,204
OTHER PRIVATE GRANTS								
National Opioid Settlement								
2024		-	970,110	-	945,706	24,404	-	-
2024		-	-	49,302	49,302	-	-	-
NJ Association of County and City Health Officials:								
Enhancing Local Public Health Infrastructure Grant								
TY23		648,175	-	-	133,892	-	-	514,283
2023		451,062	-	-	451,062	-	-	-
2024		-	168,049	-	26,530	-	-	141,519
Private Total		1,099,237	1,138,159	49,302	1,606,492	24,404	-	655,802
		<u>\$ 18,538,242</u>	<u>\$ 18,576,929</u>	<u>\$ 3,819,226</u>	<u>\$ 14,431,085</u>	<u>\$ 35,334</u>	<u>\$ 1,690,614</u>	<u>\$ 24,777,364</u>
Ref:		A	A-27	A-27	A-4	A-28		A

**CITY OF UNION CITY
FEDERAL AND STATE GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

SCHEDULE OF RESERVE FOR APPROPRIATED GRANTS

Budget Year	Balance, December 31, 2023		Increased by:		Decreased by:		Balance, December 31, 2024	
	Reserved	Encumbered	City Match	Current Year Awards	Paid or Charged	Reallocated / Cancelled	Encumbered	Reserved
<u>FEDERAL GRANTS</u>								
U.S. Department of Health and Human Services:								
Drug Free Community								
TY2023	\$ 21,412	\$ 74,750	\$ -	\$ -	\$ 95,109	\$ -	\$ 1,053	\$ -
2024	-	-	-	125,000	29,921	-	74,800	20,279
Drug Free Community - Local Match								
TY2023	140,625	-	-	-	140,625	-	-	-
Passed Through NJ Department of Health								
Strengthening Local Public Health Capacity								
2022	2,584	-	-	-	-	2,584	-	-
2023	26,672	-	-	-	-	26,672	-	-
TY2023	112,504	172,293	-	-	217,251	67,546	-	-
2024	-	-	-	74,664	23,319	-	8,280	43,065
U.S. Department of Justice:								
COPS Hiring Program								
2023	3,584,704	-	-	-	667,132	-	-	2,917,572
COPS Technology & Equipment								
2023	676,851	44,162	-	-	225,750	-	-	495,263
TY2023	1,200,000	-	-	-	949,506	-	198,559	51,935
Bulletproof Vest Partnership Program								
TY2023	42,297	-	-	-	-	-	19,474	22,823
2023	4,155	3,629	-	-	3,184	-	4,600	-
2024	-	-	-	32,607	-	-	-	32,607
Passed through NJ Department of Law and Public Safety:								
Pedestrian Safety Grant								
TY2023	35,000	-	-	-	35,000	-	-	-
Passed through County of Hudson:								
Byrne Justice Assistance Grant								
TY2023	28,718	-	-	-	28,441	-	-	277
Byrne Justice Assistance Grant								
2024	-	-	-	26,567	-	-	-	26,567
2024	-	-	-	32,408	-	-	-	32,408
National Incident-Based Reporting System (NIBRS) Compliance Grant								
2024	-	-	-	75,000	-	-	-	75,000

**CITY OF UNION CITY
FEDERAL AND STATE GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT A-26

Sheet 2 of 7

SCHEDULE OF RESERVE FOR APPROPRIATED GRANTS

Budget Year	Balance, December 31, 2023		Increased by:		Decreased by:		Balance, December 31, 2024	
	Reserved	Encumbered	City Match	Current Year Awards	Paid or Charged	Reallocated / Cancelled	Encumbered	Reserved
FEDERAL GRANTS (continued)								
U.S. Department of Agriculture:								
Pass through Entity: State of NJ Department of Health								
Spotted Lanternfly Treatment Program								
TY2023	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
2024	-	-	-	20,000	-	-	-	20,000
U.S. Department of Treasury:								
ARP-State and Local Fiscal Recovery Funds								
2022	2,500,700	-	-	-	2,500,700	-	-	-
U.S. Department of Transportation:								
Body Worn Cameras Grant								
2022	185,898	23,794	-	-	18,630	-	23,794	167,268
Passed through NJ Department of Law and Public Safety								
National Highway Traffic Safety Association - Restraints Program Management								
Click it or Ticket								
2024	-	-	-	10,500	9,765	735	-	-
Sustained Traffic Enforcement Program Grant (STEP) (Massachusetts)								
2024	-	-	-	52,000	-	-	-	52,000
Distracted Driving Crackdown Grant								
2024	-	-	-	12,250	-	12,250	-	-
Drive Sober or Get Pulled Over Holiday Crackdown								
TY2023	7,350	-	-	-	5,670	1,680	-	-
Automated License Plate Reader Program								
TY2023	500	221,500	-	-	221,500	500	-	-
Energy Efficiency & Conservation Block Grant Program (EECBG)								
2024	-	-	-	123,130	-	-	40,787	82,343
Federal Total	8,584,970	540,128	-	584,126	5,171,503	111,967	371,347	4,054,407

**CITY OF UNION CITY
FEDERAL AND STATE GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

SCHEDULE OF RESERVE FOR APPROPRIATED GRANTS

Budget Year	Balance, December 31, 2023		Increased by:		Decreased by:		Balance, December 31, 2024	
	Reserved	Encumbered	City Match	Current Year Awards	Paid or Charged	Reallocated / Cancelled	Encumbered	Reserved
STATE GRANTS								
NJ Department of Transportation								
Transportation Trust Fund:								
Various Streets 2021 - FY 21 Municipal Aid								
2021	\$ 443,976	\$ -	\$ -	\$ -	\$ 16,670	\$ 427,306	\$ -	\$ -
Hudson Avenue								
2024	-	-	-	4,000,000	-	-	-	4,000,000
NJ Department of Transportation								
Transportation Trust Fund:								
18th, 19th & 16th St Improvements - FY24 Municipal Aid								
TY2023	860,394	-	-	-	487,027	-	373,367	-
Central Ave Corridor Improvements - Local Aid Infrastructure								
TY2023	1,033,227	-	-	-	(70,623)	-	-	1,103,850
13th, 42nd and 47th Streets - Municipal Aid Program								
TY2023	443,000	-	-	-	383,863	59,137	-	-
13th, 37th and 38th Streets - Municipal Aid Program								
2023	378,492	-	-	-	58,230	320,262	-	-
TY2023	299,000	-	-	-	-	299,000	-	-
36th - 39th St Bergenline to JFK								
2024	-	-	-	4,500,000	-	-	-	4,500,000
Local Aid Infrastructure Fund (LAIF)								
Road Improvement 37th & 38th								
2024	-	-	-	1,700,000	898,636	-	654,117	147,247
NJ Department of Law and Public Safety:								
Body Armor Fund								
2023	3,160	3,629	-	-	2,856	-	3,933	-
2024	-	-	-	10,930	-	-	10,930	-
2024	-	-	-	13,119	-	-	-	13,119

**CITY OF UNION CITY
FEDERAL AND STATE GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

SCHEDULE OF RESERVE FOR APPROPRIATED GRANTS

Budget Year	Balance, December 31, 2023		Increased by:		Decreased by:		Balance, December 31, 2024	
	Reserved	Encumbered	City Match	Current Year Awards	Paid or Charged	Reallocated / Cancelled	Encumbered	Reserved
STATE GRANTS (continued)								
NJ Department of Environmental Protection:								
Clean Communities								
2024	\$ -	\$ -	\$ -	\$ 118,532	\$ -	\$ -	\$ -	\$ 118,532
TY2023	60,198	9,548	-	-	63,984	-	-	5,762
2022	-	881	-	-	881	-	-	-
Electric Vehicle DC Fast Charger Community Grant								
It Pay\$ to Plug								
2023	150,000	-	-	-	-	-	-	150,000
TY2023	24,000	-	-	-	-	24,000	-	-
TY2023	24,000	-	-	-	-	-	-	24,000
TY2023	24,000	-	-	-	-	-	-	24,000
2024	-	-	-	24,000	21,146	-	-	2,854
Clean Energy Electric Vehicle Tourism Grant								
2023	7,610	-	-	-	7,610	-	-	-
NJ Division of Highway Traffic Safety:								
Drunk Driving Enforcement Fund								
2018	13,933	-	-	-	-	-	-	13,933
2017	2,653	-	-	-	-	-	452	2,201
Green Acres - Reservoir Purchase								
2018	919,382	-	-	-	267,527	-	-	651,855
Green Acres - 44th St Acquisition								
2020	675,000	-	-	-	-	-	-	675,000
Green Acres - 4100 Palisade Ave.								
2022	984,800	-	-	-	27,623	-	18,797	938,380
2023	225,000	-	-	-	-	-	-	225,000
2024	-	-	-	886,000	-	-	-	886,000
Green Acres - 4100 Palisade Ave. - Urban Parks								
2022	500,000	-	-	-	-	-	-	500,000
NJ Division of Highway Traffic Safety:								
Recycling Tonnage Grant								
2024	-	-	-	29,987	-	-	-	29,987
2023	91,907	2,275	-	-	29,396	-	4,218	60,568

**CITY OF UNION CITY
FEDERAL AND STATE GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

SCHEDULE OF RESERVE FOR APPROPRIATED GRANTS

Budget Year	Balance, December 31, 2023		Increased by:		Decreased by:		Balance, December 31, 2024	
	Reserved	Encumbered	City Match	Current Year Awards	Paid or Charged	Reallocated / Cancelled	Encumbered	Reserved
STATE GRANTS (continued)								
NJ Department of Treasury:								
Community Energy Plan Grant								
2023	\$ 2,700	\$ 15,500	\$ -	\$ -	\$ 14,700	\$ 3,500	\$ -	\$ -
Passed through County of Hudson:								
Municipal Alliance								
Program Funds								
TY2023	5,176	3,749	-	-	8,925	-	-	-
Matching Funds								
TY2023	-	2,251	-	-	2,251	-	-	-
Youth Leadership Municipal Alliance								
TY2023	-	7,616	-	-	7,616	-	-	-
Program Funds								
2024	-	-	-	21,005	14,905	-	6,000	100
Matching Funds								
2024	-	-	5,251	-	2,251	-	3,000	-
NJ Administrative Office of the Courts:								
Alcohol Education								
2014	750	561	-	-	1,311	-	-	-
2014	3,368	-	-	-	250	-	-	3,118
2016	1,120	-	-	-	-	-	-	1,120
2017	6,406	-	-	-	-	-	-	6,406
2017	11,131	-	-	-	-	-	-	11,131
2018	6,005	-	-	-	-	-	-	6,005
2019	3,295	-	-	-	-	-	-	3,295
2020	1,167	-	-	-	-	-	-	1,167
2022	632	-	-	-	-	-	-	632
TY2023	9,605	-	-	-	-	-	-	9,605
2024	-	-	-	3,065	-	-	-	3,065

**CITY OF UNION CITY
FEDERAL AND STATE GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT A-26

Sheet 6 of 7

SCHEDULE OF RESERVE FOR APPROPRIATED GRANTS

Budget Year	Balance, December 31, 2023		Increased by:		Decreased by:		Balance, December 31, 2024	
	Reserved	Encumbered	City Match	Current Year Awards	Paid or Charged	Reallocated / Cancelled	Encumbered	Reserved
STATE GRANTS (continued)								
NJ Department of Community Affairs:								
41st Street Park Grant								
2023	\$ 1,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,700,000
DCA Social Services Grant								
2024	-	-	-	5,000,000	4,777,522	-	158,419	64,059
DCA Local Recreation Grant-Pool Improvements								
TY23	97,000	-	-	-	86,300	10,700	-	-
Lead Grant Assistance Program								
TY23	87,700	-	-	-	36,428	-	-	51,272
Urban Enterprize Zone (UEZ) Assistance Fund								
TY2023	-	87,689	-	-	87,689	-	-	-
2024	-	-	-	1,774,933	1,510,109	-	264,824	-
2024	-	-	-	1,811,223	-	-	-	1,811,223
State Total	9,099,787	133,699	5,251	19,892,794	8,745,083	1,143,905	1,498,057	17,744,486
HUDSON COUNTY GRANTS								
History Partnership Program								
2024	-	-	-	9,900	-	-	8,338	1,562
Local Arts Program								
2024	-	-	-	5,874	5,874	-	-	-
Open Space Trust Fund								
Washington Park Soccer Field Improvements								
TY2023	67,387	-	-	-	-	67,387	-	-
4100 Palisade Ave.								
TY2023	147,225	-	-	-	-	(67,387)	-	214,612
2022	271,525	-	-	-	-	-	-	271,525
4100 Palisade Ave Soccer Field								
2024	-	-	-	216,000	-	-	-	216,000
Liberty Place Playground								
2024	-	-	-	500,000	-	-	-	500,000
County Total	486,137	-	-	731,774	5,874	-	8,338	1,203,699

CITY OF UNION CITY
 FEDERAL AND STATE GRANTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT A-26

Sheet 7 of 7

SCHEDULE OF RESERVE FOR APPROPRIATED GRANTS

Budget Year	Balance, December 31, 2023		Increased by:		Decreased by:		Balance, December 31, 2024	
	Reserved	Encumbered	City Match	Current Year Awards	Paid or Charged	Reallocated / Cancelled	Encumbered	Reserved
OTHER PRIVATE GRANTS								
National Opioid Settlement								
2023	\$ 346,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346,324
TY223	163,302	-	-	-	-	-	-	163,302
2024	-	-	-	970,110	-	-	-	970,110
2024	-	-	-	49,302	-	-	-	49,302
NJ Association of County and City Health Officials:								
Enhancing Local Public Health Infrastructure Grant								
TY223	581,829	-	-	-	96,245	-	7,084	478,500
2023	366,981	2,900	-	-	369,881	-	-	-
2024	-	-	-	168,049	40,689	-	-	127,360
Private Total	<u>1,458,436</u>	<u>2,900</u>	<u>-</u>	<u>1,187,461</u>	<u>506,815</u>	<u>-</u>	<u>7,084</u>	<u>2,134,898</u>
	<u>\$ 19,629,330</u>	<u>\$ 676,727</u>	<u>\$ 5,251</u>	<u>\$ 22,396,155</u>	<u>\$ 14,429,275</u>	<u>\$ 1,255,872</u>	<u>\$ 1,884,826</u>	<u>\$ 25,137,490</u>
Ref.	A	A-22	A-27	A-27	A-27	A-25	A-22	A

**CITY OF UNION CITY
 FEDERAL AND STATE GRANTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT A-27

SCHEDULE OF INTERFUNDS

	<u>Ref.</u>	<u>Current Fund</u>
Increased by:		
Appropriated in Budget		
Grant Awards	A-26	\$ 22,396,155
City Match	A-26	5,251
Cancelled Receivables	A-25	434,742
Cash Disbursements	A-4	14,008,000
		<u>36,844,148</u>
Decreased by:		
Anticipated Grant Revenues		
Adopted Budget	A-25	18,576,929
Added by Chapter 159	A-25	3,819,226
Grant Expenditures Paid by Current Fund	A-26	14,429,275
		<u>36,825,430</u>
Net Change in Interfunds		18,718
Balance, December 31, 2023		
Interfunds Payable	A	<u>18,718</u>
Balance, December 31, 2024	A	<u>\$ -</u>

SCHEDULE OF RESERVE FOR UNAPPROPRIATED GRANTS

	Balance Dec. 31, 2023	Cash Receipts	Decreased for Revenue Anticipated	Balance Dec. 31, 2024
STATE GRANTS:				
NJ Department of Law and Public Safety: Body Armor Grant	\$ 10,930	\$ -	\$ 10,930	\$ -
PRIVATE GRANTS:				
National Opioid Settlement	24,404	42,709	24,404	42,709
	<u>\$ 35,334</u>	<u>\$ 42,709</u>	<u>\$ 35,334</u>	<u>\$ 42,709</u>
	A	A-4	A-25	A

CITY OF UNION CITY

REPORT OF AUDIT

**SUPPLEMENTARY DATA SECTION:
TRUST FUND SCHEDULES**

**CITY OF UNION CITY
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT B-1

SCHEDULE OF CASH AND CASH EQUIVALENTS - ANIMAL CONTROL TRUST FUND

Balance, December 31, 2023	<u>Ref.</u> B		\$ 10,194
Increased by:			
Sale of Dog Licenses - State	B-2	\$ 1,034	
Sale of Dog Licenses - City	B-3	4,039	
Sale of Dog Licenses - Late Fees	B-3	890	
Other Municipal Fees	B-3	<u>52</u>	
			<u>6,015</u>
			16,209
Decreased by:			
Due to Current Fund	B-4		<u>11,495</u>
Balance, December 31, 2024	B		<u><u>\$ 4,714</u></u>

SCHEDULE OF DUE TO STATE OF NEW JERSEY - ANIMAL CONTROL TRUST FUND

EXHIBIT B-2

Balance, December 31, 2023	<u>Ref.</u> B		\$ -
Increased by:			
State Fees Collected:			
Pilot Clinic Funds		\$ 75	
Registration Fees		374	
Population Control Fees		<u>585</u>	
	B-1		<u>1,034</u>
			1,034
Decreased by:			
Transmitted to State	B-4		<u>1,029</u>
Balance, December 31, 2024	B		<u><u>\$ 5</u></u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT B-3

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

Balance, December 31, 2023	<u>Ref.</u> B		\$ 10,155
Increased by:			
Cash Receipts - Dog Licenses	B-1	\$ 4,039	
Cash Receipts - Late Fees	B-1	890	
Miscellaneous	B-1	52	
Prior Year Prepaid	B	<u>39</u>	
			<u>5,020</u>
			15,175
Decreased by:			
Expenditures	B-4	54	
Statutory Excess	B-4	<u>10,412</u>	
			<u>10,466</u>
Balance, December 31, 2024	B		<u><u>\$ 4,709</u></u>

<u>Maximum Allowable Reserve</u>	
License Fees Collected:	
TY2023	\$ 435
FY2023	<u>4,274</u>
	<u><u>\$ 4,709</u></u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT B-4

SCHEDULE OF INTERFUNDS - ANIMAL CONTROL FUND

	<u>Ref.</u>	<u>Due To / From Current Fund</u>
Increased by:		
Transfer to Clear Interfund	B-1	11,495
Decreased by:		
Cash Disbursed by Current Fund for:		
Due to State	B-2	1,029
Expenditures from Reserve	B-3	54
Statutory Excess	B-3	10,412
		<u>11,495</u>
Net Change in Interfunds		-
Balance, December 31, 2023	B	-
Balance, December 31, 2024	B	<u>\$ -</u>

SCHEDULE OF CASH AND CASH EQUIVALENTS - OTHER TRUST FUND

EXHIBIT B-5

Balance, December 31, 2023	<u>Ref.</u> B	\$ 11,521,221
Increased by Cash Receipts:		
Other Trust Fund Reserves	B-8	9,663,623
		<u>21,184,844</u>
Decreased by Cash Disbursements:		
Due to Current Fund	B-7	\$ 1,818,153
Other Trust Fund Reserves	B-8	<u>7,550,113</u>
		<u>9,368,266</u>
Balance, December 31, 2024	B	<u>\$ 11,816,578</u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT B-6

SCHEDULE OF ACCOUNT RECEIVABLES - OTHER TRUST FUND

	<u>Ref.</u>	<u>Due from Contractors</u>
Balance, December 31, 2023	B	\$ 395,511
Increased by:		
Other Trust Fund Reserves	B-8	<u>58,936</u>
Balance, December 31, 2024	B	<u><u>\$ 454,447</u></u>

SCHEDULE OF INTERFUNDS - OTHER TRUST FUND

EXHIBIT B-7

	<u>Ref.</u>	<u>Due To / From Current Fund</u>
Increased by:		
Cash Disbursements	B-5	<u>\$ 1,818,153</u>
Decreased by:		
Expenditures Paid by Current Fund	B-8	<u>1,818,153</u>
Net Change in Interfunds		-
Balance, December 31, 2023	B	<u>-</u>
Balance, December 31, 2024	B	<u><u>\$ -</u></u>

CITY OF UNION CITY
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT B-8

SCHEDULE OF OTHER TRUST FUND RESERVES

	Balance, December 31, 2023		Increase	Decrease	Balance, December 31, 2024	
	Reserved	Encumbered			Encumbered	Reserved
Recreation - Soccer - Umpire Fees	\$ 40	\$ -	\$ 29,898	\$ 29,783	\$ -	\$ 155
Escrow Deposits	5,135,017	-	2,144,399	1,406,560	-	5,872,856
Battered Wives Fund	-	-	200	-	-	200
P.O.A.A	155,880	-	63,928	76,352	11,045	132,411
Disposal of Forfeited Property	17,184	-	-	-	-	17,184
Police Special Detail	(669,935)	-	1,645,192	1,818,153	-	(842,896)
Police Donations	1,059	-	-	-	-	1,059
Outside Lien Holders	261,109	445,697	2,795,607	2,692,359	713,113	96,941
Ambulance Donations	300	-	-	-	-	300
DARE Donations	1,845	-	-	-	-	1,845
Feral Cat Program Donations	431	-	-	-	-	431
State Unemployment Insurance	-	20,183	95,921	20,335	50,377	45,392
Fire Prevention Penalties Trust	2,998	-	567,944	406,145	-	164,797
Tree Planting Program	840	-	-	-	-	840
Fire Victims Assistance	1,430	-	-	1,430	-	-
Recreation - Senior Citizens Trips	1,428	-	12,663	11,368	-	2,723
Insurance Proceeds	61,632	-	-	61,632	-	-
HCLET - Forfeited Property	56,233	2,245	14,829	-	37,202	36,105
Premium of Tax Lien Sale	3,095,900	306,400	1,201,800	1,543,000	456,800	2,604,300
Recreation - Swimming Pool	1,418	1,750	6,565	8,213	-	1,520
Storm Recovery Trust	370	-	-	-	-	370
DEA - Federal Equitable Sharing	220	-	11	-	-	231
Recreation - Soccer Program	1,528	-	2,330	3,858	-	-
Recreation - Softball	230	-	-	-	-	230
Recreation - Baseball	-	1,830	35	-	-	1,865
Recreation - Basketball	70	955	70	-	-	1,095
Recreation - Volleyball	71	3,154	483	-	-	3,708
Recreation - Flag Football	5	-	-	-	-	5
Recreation - Football	12,291	-	-	-	-	12,291
Recreation - T-Ball/Baseball/Softball	20,621	-	-	-	-	20,621
COAH	2,911,646	-	1,038,136	1,180,084	-	2,769,698
Elevator Inspections	37,316	-	102,548	108,994	-	30,870
Prisoners' Property	25,341	-	-	-	-	25,341
	<u>\$ 11,134,518</u>	<u>\$ 782,214</u>	<u>\$ 9,722,559</u>	<u>\$ 9,368,266</u>	<u>\$ 1,268,537</u>	<u>\$ 11,002,488</u>
	B	B-9			B-9	B
Cash Activity		B-5	\$ 9,663,623	\$ 7,550,113		
Due from Contractor		B-6	58,936	-		
Interfund - Current Fund		B-7	-	1,818,153		
			<u>\$ 9,722,559</u>	<u>\$ 9,368,266</u>		

**CITY OF UNION CITY
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT B-9

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE - OTHER TRUST FUND

Balance, December 31, 2023	<u>Ref.</u> B	\$ 782,214
Increased by:		
Reserve for Other Trust Fund Activity	B-8	1,268,537
		<u>2,050,751</u>
Decreased by:		
Add Back Prior Year Encumbrances	B-8	782,214
		<u>782,214</u>
Balance, December 31, 2024	B	<u>\$ 1,268,537</u>

SCHEDULE OF CASH AND CASH EQUIVALENTS - CDA FUND

EXHIBIT B-10

Balance, December 31, 2023	<u>Ref.</u> B	\$ 6,815
Increased by Cash Receipts:		
Reimbursements	B-13	\$ 5,665
Due from HUD CDBG	B-11	915,874
Reserve for Program Income	B-12	<u>15,625</u>
		<u>937,164</u>
		943,979
Decreased by Cash Disbursements:		
Due to Current Fund	B-14	<u>933,729</u>
Balance, December 31, 2024	B	<u>\$ 10,250</u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT B-11

SCHEDULE OF DUE FROM HUD COMMUNITY DEVELOPMENT BLOCK GRANT - CDA FUND

Balance, December 31, 2023	<u>Ref.</u> B	\$ 2,094,616
Increased by:		
New Grant Authorization	B-13	<u>1,131,991</u>
		3,226,607
Decreased by:		
Cash Receipts	B-10	<u>915,874</u>
Balance, December 31, 2024	B	<u><u>\$ 2,310,733</u></u>

SCHEDULE OF RESERVE FOR PROGRAM INCOME - CDA FUND

EXHIBIT B-12

Balance, December 31, 2023	<u>Ref.</u>	\$ -
Increased by:		
Cash Receipts	B-10	<u>15,625</u>
		15,625
Decreased by:		
Reserve for Expenditures	B-13	<u>15,625</u>
Balance, December 31, 2024		<u><u>\$ -</u></u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT B-13

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT - CDA FUND

Balance, December 31, 2023	<u>Ref.</u> B		\$ 1,490,127
Increased by:			
New Grant Authorization	B-11	\$ 1,131,991	
Reimbursement	B-10	5,665	
Reserve for Program Income	B-12	15,625	
Encumbrances	B	<u>611,304</u>	
			<u>1,764,585</u>
			3,254,712
Decreased by:			
Expenditures Paid by Current Fund	B-14	933,729	
Encumbrances	B	<u>1,214,206</u>	
			<u>2,147,935</u>
Balance, December 31, 2024	B		<u><u>\$ 1,106,777</u></u>

SCHEDULE OF INTERFUNDS - CDA FUND

EXHIBIT B-14

			<u>Due To / From Current Fund</u>
	<u>Ref.</u>		
Decreased by:			
Cash Disbursements	B-10		<u>933,729</u>
Increased by:			
Expenditures Paid by Current Fund	B-13		<u>933,729</u>
Net Change in Interfunds			-
Balance, December 31, 2023			<u>-</u>
Balance, December 31, 2024	B		<u><u>\$ -</u></u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT B-15

SCHEDULE OF CASH AND CASH EQUIVALENTS - PUBLIC DEFENDER TRUST FUND

Balance, December 31, 2023	<u>Ref.</u> B	\$ 1,675
Increased by Cash Receipts:		
Reserve for Expenditures	B-16	4,600
		<u>6,275</u>
Decreased by Cash Disbursements:		
Due to Current Fund	B-17	4,125
		<u>4,125</u>
Balance, December 31, 2024	B	<u>\$ 2,150</u>

SCHEDULE OF RESERVE FOR PUBLIC DEFENDER TRUST EXPENDITURES

EXHIBIT B-16

Balance, December 31, 2023	<u>Ref.</u> B	\$ 1,675
Increased by:		
Cash Receipts	B-15	4,600
		<u>6,275</u>
Decreased by:		
Paid by Current Fund	B-17	4,125
		<u>4,125</u>
Balance, December 31, 2024	B	<u>\$ 2,150</u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT B-17

SCHEDULE OF INTERFUNDS - PUBLIC DEFENDER TRUST FUND

	<u>Ref.</u>	<u>Current Fund</u>
Increased by:		
Cash Disbursements	B-15	\$ 4,125
Decreased by:		
Expenditures Paid by Current Fund	B-16	4,125
Net Change in Interfunds		-
Balance, December 31, 2023	B	-
Balance, December 31, 2024	B	\$ -

CITY OF UNION CITY

REPORT OF AUDIT

**SUPPLEMENTARY DATA SECTION:
GENERAL CAPITAL FUND SCHEDULES**

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT C-2

SCHEDULE OF CASH AND CASH EQUIVALENTS

Balance, December 31, 2023	<u>Ref.</u> C	\$ 10,142,950
Increased by:		
Premiums on Note Sales	C-1	<u>99,353</u>
		10,242,303
Decreased by:		
Due from Current Fund	C-6	<u>2,283,954</u>
Balance, December 31, 2024	C	<u><u>\$ 7,958,349</u></u>

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT C-3

ANALYSIS OF CASH AND CASH EQUIVALENTS

	Balance Dec. 31, 2023	Receipts		Disbursements		Transfers		Balance, Dec. 31, 2024
		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 194,195	\$ 99,353	\$ -	\$ -	\$ -	\$ -	\$ 293,548	
Capital Improvement Fund	1,532,811	-	-	-	2,160,000	1,000,000	372,811	
Encumbrances Payable	4,893,572	-	-	-	4,893,572	3,315,618	3,315,618	
Reserve for Debt Service	29,007	-	-	-	29,007	-	-	
Due from Current Fund	(4,552,090)	-	(7,807,037)	2,283,954	1,000,000	29,007	-	
Improvement Authorizations:								
Ord. 2011-14: Ellsworth Park Improvement	1,210	-	1,210	-	-	-	-	
Ord. 2013-08: Washington Park	-	-	13,119	-	-	13,119	-	
Ord. 2014-01: Various Imp. / Acquisitions	-	-	30,064	-	-	34,564	4,500	
Ord. 2017-13: Improvements to City Parks	8,147	-	8,147	-	-	-	-	
Ord. 2017-18: Various Capital Improvements	702,926	-	505,959	-	178,257	258,962	277,672	
Ord. 2017-19: Various Park Improvements	118,135	-	118,135	-	-	-	-	
Ord. 2018-32: Various Road/Bridge Repairs	-	-	22,599	-	-	22,599	-	
Ord. 2018-36: Various Capital Improvements	2,111,325	-	1,123,656	-	1,075,074	1,326,847	1,239,442	
Ord. 2020-05: Various Capital Improvements	-	-	60,008	-	-	77,483	17,475	
Ord. 2020-16: Various Road Improvements	29,551	-	29,551	-	-	-	-	
Ord. 2020-25: Various Sidewalk Repairs	3,368	-	3,368	-	-	-	-	
Ord. 2020-26: Road Repaving & Repairs	173	-	173	-	-	-	-	
Ord. 2021-02: Various Improv. & Equipment	(3,819,744)	-	320,931	-	399,048	423,535	(4,116,188)	
Reso. 2022-04-05: Summit & 38th Garage	377,363	-	-	-	-	159,522	536,885	
Ord. 2022-08: Acquisition of Equipment &	1,700,000	-	571,354	-	267,286	838,640	1,700,000	
Ord. 2022-09: Reconstruct DPW Facility -	2,969,845	-	-	-	-	-	2,969,845	
Ord. 2023-58: Central Ave Street Lighting	156	-	532,845	-	-	532,844	155	
Ord. 2023-62: Various Road Improvements	-	-	265,233	-	-	265,233	-	
Ord. 2023-66: Various Improvements -	-	-	293,095	-	647,129	940,224	-	
Ord. 2023-76: Various Improvements	3,843,000	-	2,780,431	-	692,127	-	370,442	
Ord. 2024-03: Various Park/Safety Surface Imp	-	-	621,081	-	28,919	650,000	-	
Ord. 2024-07: Various Roadway Improvements	-	-	321,690	-	3,310	325,000	-	
Ord. 2024-18: Park Safety Improvements	-	-	70,288	-	3,568	75,000	1,144	
Ord. 2024-22: Various Parking Lot Improvements	-	-	114,100	-	20,900	135,000	-	
Ord. 2024-30: Pool and Boiler Improvements	-	-	-	-	-	975,000	975,000	
	<u>\$ 10,142,950</u>	<u>\$ 99,353</u>	<u>\$ -</u>	<u>\$ 2,283,954</u>	<u>\$ 11,398,197</u>	<u>\$ 11,398,197</u>	<u>\$ 7,958,349</u>	
	C	C-2		C-2	contra	contra	C	

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

<hr/>			
Balance, December 31, 2023	<u>Ref.</u> C		\$ 62,228,037
Decreased by:			
General Serial Bond Payment	C-9	\$ 4,830,000	
Capital Lease Payment - HCIA	C-10	826,216	
Capital Lease Payment	C-13	369,151	
Green Acres Loan Payment	C-11	<u>77,224</u>	
			<u>6,102,591</u>
Balance, December 31, 2024	C		<u>\$ 56,125,446</u>
		General Serial Bonds	\$ 54,990,000
		Capital Lease Payable	514,926
		Green Acres Loans Payable	<u>620,520</u>
			<u>\$ 56,125,446</u>

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Improvement Description and Authorizing Ordinance Number	Balance Dec. 31, 2023	Decreased by:		Analysis of Ending Balance		
		Note Funded by Budget Appropriation	Balance Dec. 31, 2024	Bond Anticipation Notes	Non-Financed Improvement Authorizations	
					Expended	Unexpended
Ord. 2014-01: Various Capital Improvements	\$ 7,188,300	\$ 284,290	\$ 6,904,010	\$ 6,904,010	\$ -	\$ -
Ord. 2017-10: Improvements to Veterans Park	543,900	22,490	521,410	521,410	-	-
Ord. 2017-26: Acquisition of Real Property	1,249,900	51,680	1,198,220	1,198,220	-	-
Ord. 2018-36: Various Capital Improvements	9,871,764	188,540	9,683,224	9,683,224	-	-
Ord. 2021-02: Various Capital Equip. and Improv.	9,774,713	-	9,774,713	3,648,136	4,116,188	2,010,389
	<u>\$ 28,628,577</u>	<u>\$ 547,000</u>	<u>\$ 28,081,577</u>	<u>\$ 21,955,000</u>	<u>\$ 4,116,188</u>	<u>\$ 2,010,389</u>
<u>Ref.</u>	C	C-12	C			

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT C-6

SCHEDULE OF DUE FROM CURRENT FUND

	<u>Ref.</u>		
Balance, December 31, 2023	C		\$ 4,552,090
Increased by:			
Cash Disbursements	C-2	\$ 2,283,954	
Appropriated in Current Budget for:			
Capital Improvement Fund	C-14	<u>1,000,000</u>	
			<u>3,283,954</u>
			7,836,044
Decreased by:			
Anticipated as Revenue in Current Budget:			
Reserve for Retirement of Debt Service	C-15	29,007	
Improvement Authorizations Paid by Current	C-7	<u>7,807,037</u>	
			<u>7,836,044</u>
Balance, December 31, 2024	C		<u><u>\$ -</u></u>

CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT C-7

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description and Authorizing Ordinance Number	Original Amount	Balance, December 31, 2023			2024 Authorizations	Paid or Charged	Balance, December 31, 2024		
		Funded	Unfunded	Encumbered			Encumbered	Funded	Unfunded
Ord. 2011-14: Ellsworth Park Improvement	\$ 1,016,252	\$ 1,210	\$ -	\$ -	\$ -	\$ 1,210	\$ -	\$ -	\$ -
Ord. 2013-08: Washington Park	5,508,000	-	-	13,119	-	13,119	-	-	-
Ord. 2014-01: Various Improvements and Acquisition of Capital Equipment	35,000,000	-	-	34,564	-	30,064	-	-	4,500
Ord. 2017-13: Improvements to City Parks	50,000	8,147	-	-	-	8,147	-	-	-
Ord. 2017-18: Various Capital Improvements	6,000,000	702,926	-	258,962	-	505,959	178,257	277,672	-
Ord. 2017-19: Various Park Improvements	245,000	118,135	-	-	-	118,135	-	-	-
Ord. 2018-32: Various Road & Bridge Repairs	175,580	-	-	22,599	-	22,599	-	-	-
Ord. 2018-36: Various Improvements and Acquisition of Capital Equipment	10,311,764	-	2,111,325	1,326,847	-	1,123,656	1,075,074	-	1,239,442
Ord. 2020-05: Various Capital Improvements	750,000	-	-	77,483	-	60,008	-	17,475	-
Ord. 2020-16: Various Road Improvements	200,000	29,551	-	-	-	29,551	-	-	-
Ord. 2020-25: Various Sidewalk Repairs	120,000	3,368	-	-	-	3,368	-	-	-
Ord. 2020-26: Road Repaving & Repairs	175,000	173	-	-	-	173	-	-	-
Ord. 2021-02: Various Improv. & Equipment	10,000,000	-	2,306,833	423,535	-	320,931	399,048	-	2,010,389
Reso. 2022-04-05: Summit & 38th Garage	1,160,500	377,363	-	159,522	-	-	-	536,885	-
Ord. 2022-08: Acquisition of Equipment & Imp. Additional Transitional Aid	5,670,000	1,700,000	-	838,640	-	571,354	267,286	1,700,000	-
Ord. 2022-09: Reconstruct DPW Facility - Additional Transitional Aid	3,000,000	2,969,845	-	-	-	-	-	2,969,845	-
Ord. 2023-58: Central Ave Street Lighting	533,000	156	-	532,844	-	532,845	-	155	-
Ord. 2023-62: Various Road Improvements	300,000	-	-	265,233	-	265,233	-	-	-
Ord. 2023-66: Various Improvements - Bergenline Avenue Phase 2	950,000	-	-	940,224	-	293,095	647,129	-	-
Ord. 2023-76: Various Improvements	950,000	3,843,000	-	-	-	2,780,431	692,127	370,442	-
Ord. 2024-03: Various Park/Safety Surface Imp	-	-	-	-	650,000	621,081	28,919	-	-
Ord. 2024-07: Various Roadway Improvements	-	-	-	-	325,000	321,690	3,310	-	-
Ord. 2024-18: Park Safety Improvements	-	-	-	-	75,000	70,288	3,568	1,144	-
Ord. 2024-22: Various Parking Lot Improvements	-	-	-	-	135,000	114,100	20,900	-	-
Ord. 2024-30: Pool and Boiler Improvements	-	-	-	-	975,000	-	-	975,000	-
		<u>\$ 9,753,874</u>	<u>\$ 4,418,158</u>	<u>\$ 4,893,572</u>	<u>\$ 2,160,000</u>	<u>\$ 7,807,037</u>	<u>\$ 3,315,618</u>	<u>\$ 6,848,618</u>	<u>\$ 3,254,331</u>
<u>Ref.</u>		C	C	C-8	C-14	C-6	C-8	C	C

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT C-8

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2023	<u>Ref.</u> C	\$ 4,893,572
Increased by:		
Charges to Improvement Authorizations	C-7	<u>3,315,618</u>
		8,209,190
Decreased by:		
Reversal of Prior Year Balance	C-7	<u>4,893,572</u>
Balance, December 31, 2024	C	<u><u>\$ 3,315,618</u></u>

CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT C-9

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Amount	Maturities of Bonds Outstanding		Interest Rate %	Balance Dec. 31, 2023	Decrease	Balance Dec. 31, 2024
			Date	Amount				
ERI Pension Bonds	12/15/2002	\$ 15,735,000	01/01/2025	\$ 475,000	6.250	\$ 9,510,000	\$ 375,000	\$ 9,135,000
			01/01/2026	575,000	6.250			
			01/01/2027	690,000	6.250			
			01/01/2028	825,000	6.250			
			01/01/2029	975,000	6.250			
			01/01/2030	1,125,000	6.250			
			01/01/2031	1,300,000	6.250			
			01/01/2032	1,475,000	6.250			
			01/01/2033	1,695,000	6.250			
			2016 General Obligation Bonds Obligation Bonds	10/27/2016	10,300,000			
07/15/2026	795,000	2.500						
07/15/2027	815,000	2.500						
07/15/2028	840,000	2.625						
07/15/2029	865,000	3.000						
07/15/2030	890,000	3.000						
General Obligation Bonds, Series 2021 (Qualified) (Callable)	01/21/2021	37,845,000				08/01/2025	2,895,000	2.250
			08/01/2026	2,915,000	2.250			
			08/01/2027	2,940,000	2.250			
			08/01/2028	2,950,000	2.250			
			08/01/2029	2,980,000	2.250			
			08/01/2030	2,990,000	2.250			
			08/01/2031	5,055,000	2.250			
			08/01/2032	5,120,000	2.250			
			08/01/2033	7,145,000	2.250			
			General Obligation Bonds, Taxable Series 2021 (Qualified) (Non-Callable)	01/21/2021	6,745,000	08/01/2025	885,000	1.550
08/01/2026	925,000	1.550						
08/01/2027	960,000	1.550						
08/01/2028	1,000,000	1.550						
08/01/2029	1,040,000	1.550						
08/01/2030	1,080,000	1.550						
						\$ 59,820,000	\$ 4,830,000	\$ 54,990,000
Ref.						C	C-4	C

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT C-10

SCHEDULE OF CAPITAL LEASE PAYABLE - HCIA

Purpose	Date of Issue	Original Amount	Maturities of Lease Obligations Dec. 31, 2024		Interest Rate %	Balance Dec. 31, 2023	Lease Payments	Balance Dec. 31, 2024
			Date	Amount				
NHRFR 2004	01/13/2004	\$ 4,766,625	01/01/2024	\$ 585,375	5.330	\$ 585,375	\$ 585,375	\$ -
NHRFR 2006 A	01/12/2006	1,244,340	01/01/2024	122,093	4.200	122,093	122,093	-
NHRFR 2006 B	01/12/2006	1,152,353	01/01/2024	118,748	5.400	118,748	118,748	-
						<u>\$ 826,216</u>	<u>\$ 826,216</u>	<u>\$ -</u>
					<u>Ref.</u>	C	C-4	C

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

SCHEDULE OF GREEN ACRES LOANS PAYABLE

Purpose	Date of Issue	Original Amount	Maturities of Loan Obligations		Interest Rate %	Balance Dec. 31, 2023	Loan Payments	Balance Dec. 31, 2024
			Date	Amount				
Swimming Pool Improvements	12/10/2010	\$ 800,000	03/10/2025	22,074	2.00	\$ 323,447	\$ 43,494	\$ 279,953
			09/10/2025	22,295	2.00			
			03/10/2026	22,518	2.00			
			09/10/2026	22,743	2.00			
			03/10/2027	22,970	2.00			
			09/10/2027	23,200	2.00			
			03/10/2028	23,432	2.00			
			09/10/2028	23,666	2.00			
			03/10/2029	23,903	2.00			
			09/10/2029	24,142	2.00			
			03/10/2030	24,383	2.00			
			09/10/2030	24,627	2.00			
			17th Street Park Improvements	12/10/2010	70,000			
09/10/2025	1,951	2.00						
03/10/2026	1,970	2.00						
09/10/2026	1,990	2.00						
03/10/2027	2,010	2.00						
09/10/2027	2,030	2.00						
03/10/2028	2,050	2.00						
09/10/2028	2,071	2.00						
03/10/2029	2,092	2.00						
09/10/2029	2,112	2.00						
03/10/2030	2,134	2.00						
09/10/2030	2,155	2.00						

SCHEDULE OF GREEN ACRES LOANS PAYABLE

Purpose	Date of Issue	Original Amount	Maturities of Loan Obligations		Interest Rate %	Balance Dec. 31, 2023	Loan Payments	Balance Dec. 31, 2024
			Date	Amount				
Park Avenue Playground	05/16/2014	\$ 590,143	02/16/2025	15,188	2.00	\$ 345,996	\$ 29,925	\$ 316,071
			08/16/2025	15,340	2.00			
			02/16/2026	15,493	2.00			
			08/16/2026	15,648	2.00			
			02/16/2027	15,804	2.00			
			08/16/2027	15,962	2.00			
			02/16/2028	16,122	2.00			
			08/16/2028	16,283	2.00			
			02/16/2029	16,446	2.00			
			08/16/2029	16,611	2.00			
			02/16/2030	16,777	2.00			
			08/16/2030	16,944	2.00			
			02/16/2031	17,114	2.00			
			08/16/2031	17,285	2.00			
			02/16/2032	17,458	2.00			
			08/16/2032	17,633	2.00			
			02/16/2033	17,809	2.00			
08/16/2033	17,987	2.00						
02/16/2034	18,167	2.00						
						<u>\$ 697,744</u>	<u>\$ 77,224</u>	<u>\$ 620,520</u>
					<u>Ref.</u>	C	C-4	C

CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT C-12

SCHEDULE OF BOND ANTICIPATION NOTES

Improvement Description and Authorizing Ordinance Number	Original		Date of		Interest Rate	Balance Dec. 31, 2023	Notes Renewed	Decreased by:		Balance Dec. 31, 2024
	Issue Amount	Issue Date	Issue	Maturity				Notes Refunded	Principal Paydown	
HCIA Tax-Exempt Pooled Notes, Series 2024B-1										
2014-01 Various Capital Improvements/Acquisition of Various Capital Equipment	\$ 739,000	09/20/2019	07/12/2024	07/11/2025	4.50%	\$ -	\$ 655,910	\$ -	\$ -	\$ 655,910
2017-10 Improvements to 17th Street	598,500	09/20/2019	07/12/2024	07/11/2025	4.50%	-	521,410	-	-	521,410
2017-26 Acquisition of Real Property	1,282,500	09/20/2019	07/12/2024	07/11/2025	4.50%	-	1,198,220	-	-	1,198,220
2018-36 Various Improvements and Acquisition of Capital Equipment	5,000,000	09/20/2019	07/12/2024	07/11/2025	4.50%	-	4,371,460	-	-	4,371,460
HCIA Tax-Exempt Pooled Notes, Series 2023B-1										
2014-01 Various Capital Improvements/Acquisition of Various Capital Equipment	739,000	09/20/2019	07/25/2023	07/24/2024	5.00%	684,200	-	655,910	28,290	-
2017-10 Improvements to 17th Street	598,500	09/20/2019	07/25/2023	07/24/2024	5.00%	543,900	-	521,410	22,490	-
2017-26 Acquisition of Real Property	1,282,500	09/20/2019	07/25/2023	07/24/2024	5.00%	1,249,900	-	1,198,220	51,680	-
2018-36 Various Improvements and Acquisition of Capital Equipment	5,000,000	09/20/2019	07/25/2023	07/24/2024	5.00%	4,560,000	-	4,371,460	188,540	-
HCIA Tax-Exempt Pooled Notes, Series 2024A										
2021-02 Various Capital Equipment	3,648,136	04/18/2022	03/26/2024	03/25/2025	4.25%	-	3,648,136	-	-	3,648,136
2018-36 Various Capital Equipment	5,311,764	04/18/2022	03/26/2024	03/25/2025	4.25%	-	5,311,764	-	-	5,311,764
2014-01 Various Capital Improvements/Acquisition of Various Capital Equipment	1,040,100	03/07/3219	03/26/2024	03/25/2025	4.25%	-	1,040,100	-	-	1,040,100
2014-01 Various Capital Improvements/Acquisition of Various Capital Equipment	7,000,000	07/06/2015	03/26/2024	03/25/2025	4.25%	-	5,208,000	-	-	5,208,000
HCIA Tax-Exempt Pooled Notes, Series 2023A										
2021-02 Various Capital Equipment	3,648,136	04/18/2022	04/06/2023	04/05/2024	4.25%	3,648,136	-	3,648,136	-	-
2018-36 Various Capital Equipment	5,311,764	04/18/2022	04/06/2023	04/05/2024	4.25%	5,311,764	-	5,311,764	-	-
2014-01 Various Capital Improvements/Acquisition of Various Capital Equipment	1,040,100	03/07/3219	04/06/2023	04/05/2024	4.25%	1,040,100	-	1,040,100	-	-
2014-01 Various Capital Improvements/Acquisition of Various Capital Equipment	7,000,000	07/06/2015	04/06/2023	04/05/2024	4.25%	5,464,000	-	5,208,000	256,000	-
						<u>\$ 22,502,000</u>	<u>\$ 21,955,000</u>	<u>\$ 21,955,000</u>	<u>\$ 547,000</u>	<u>\$ 21,955,000</u>
					Ref	C	contra	contra	C-5	C
					Series 2023A	\$ 15,464,000			Series 2024A	\$ 15,208,000
					Series 2023B-1	7,038,000			Series 2024B-1	6,747,000
						<u>\$ 22,502,000</u>				<u>\$ 21,955,000</u>

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT C-13

SCHEDULE OF CAPITAL LEASE PAYABLE

Purpose	Date of Issue	Original Amount	Maturities of Lease Obligations Dec. 31, 2024		Interest Rate %	Balance Dec. 31, 2023	Decreased by:		Balance Dec. 31, 2024
			Date	Amount			Budget Appropriation		
Street Sweeper	11/25/2021	\$ 248,357	11/25/2025	\$ 51,113	2.99	\$ 153,383	\$ 49,628	\$ 103,755	
			11/25/2026	52,642	2.99				
Ambulance	07/29/2019	289,970	Matured July 29, 2024			62,262	62,262	-	
Ambulance	11/25/2021	319,776	11/25/2025	65,810	2.99	197,488	63,900	133,588	
			11/25/2026	67,778	2.99				
Various Vehicles	08/20/2020	35,411	05/01/2025	7,527	*	14,737	7,210	7,527	
Various Vehicles	08/20/2020	397,674	Matured November 1, 2024			83,168	83,168	-	
Tahoe and Interceptors	11/15/2021	274,933	04/01/2025	55,703	*	167,187	53,668	113,519	
			04/01/2026	57,816	*				
Ford Explorer	03/23/2022	35,411	09/01/2025	7,235	*	21,727	6,862	14,865	
			09/01/2026	7,630	*				
Senior Bus and Two Vehicles	08/01/2022	225,134	08/01/2025	44,754	*	184,125	42,453	141,672	
			08/01/2026	47,180	*				
			08/01/2027	49,738	*				
						<u>\$ 884,077</u>	<u>\$ 369,151</u>	<u>\$ 514,926</u>	
					Ref.	C	C-4	C	

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT C-14

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2023	C	\$ 1,532,811
Increased by:		
Additional Transitional Aid	C-6	<u>1,000,000</u> 2,532,811
Decreased by:		
Improvement Authorizations		
Ord 2024-03: Various Park/Safety Surface Imp		\$ 650,000
Ord 2024-07: Various Roadway Improvements		325,000
Ord 2024-18: Park Safety Improvements		75,000
Ord 2024-22: Various Parking Lot Improvements		135,000
Ord 2024-30: Pool and Boiler Improvements		<u>975,000</u>
	C-7	<u>2,160,000</u>
Balance, December 31, 2024	C	<u><u>\$ 372,811</u></u>

SCHEDULE OF RESERVE FOR RETIREMENT OF DEBT SERVICE

EXHIBIT C-15

	<u>Ref.</u>	
Balance, December 31, 2023	C	\$ 29,007
Decreased by:		
Anticipated in Current Fund Budget	C-6	<u>29,007</u>
Balance, December 31, 2024	C	<u><u>\$ -</u></u>

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Improvement Description and Authorizing Ordinance Number	Balance Dec. 31, 2023	Balance Dec. 31, 2024
Ord. 2021-02: Various Capital Equipment and Improvements	\$ 6,126,577	\$ 6,126,577
	<u>\$ 6,126,577</u>	<u>\$ 6,126,577</u>
<u>Ref.</u>	C	C

CITY OF UNION CITY

REPORT OF AUDIT

**SUPPLEMENTARY DATA SECTION:
GENERAL FIXED ASSETS SCHEDULES**

**CITY OF UNION CITY
GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT D-1

SCHEDULE OF CHANGES IN FIXED ASSETS BY CLASS

	Balance Dec. 31, 2023	Additions	Dispositions	Balance Dec. 31, 2024
Land	\$ 20,351,200	\$ 267,490	\$ -	\$ 20,618,690
Buildings and Improvements	51,705,099	3,529,371	-	55,234,470
Machinery and Equipment	<u>19,470,175</u>	<u>622,444</u>	<u>-</u>	<u>20,092,619</u>
	<u>\$ 91,526,474</u>	<u>\$ 4,419,305</u>	<u>\$ -</u>	<u>\$ 95,945,779</u>
<u>Ref.</u>	D	D-2	D-2	D

SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS

EXHIBIT D-2

Balance, December 31, 2023	<u>Ref.</u> D	\$ 91,526,474
Increased by:		
Additions	D-1	<u>4,419,305</u>
Balance, December 31, 2024	D	<u>\$ 95,945,779</u>

CITY OF UNION CITY

REPORT OF AUDIT

**OTHER REPORTING:
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 Board of Commissioners
City of Union City, 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 Union City, 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, 2024 and 2023, 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 the statement of changes in fund balance – regulatory basis, of the General Capital Fund, for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 16, 2025. The opinion to those financial statements is followed by an emphasis of matter paragraph regarding the City’s reversion to a calendar fiscal year from a fiscal year ended June 30, annually, and the operation of a six month transition year ending December 31, 2023, in accordance with State Law.

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 comprehensive basis 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 purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

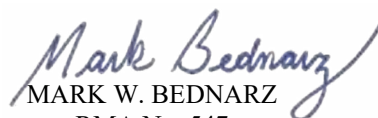
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

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

Purpose of this Report

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


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


MARK W. BEDNARZ
RMA No. 547

Secaucus, New Jersey
June 16, 2025

CITY OF UNION CITY

REPORT OF AUDIT

**OTHER REPORTING:
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 Board of Commissioners
City of Union City, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the City of Union City, New Jersey’s (the City’s) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *N.J. OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the City’s major federal and state programs for the year ended December 31, 2024. The City’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the six month transition year ended December 31, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 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 the 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 the City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the auditing requirements of the, Uniform Guidance and NJ OMB 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 the City's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the auditing requirements of the Division, the Uniform Guidance and NJ OMB 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.

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.

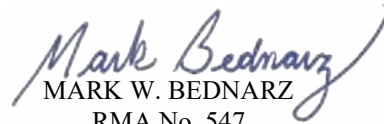
Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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

Secaucus, New Jersey
June 16, 2025

CITY OF UNION CITY
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE TRANSITION YEAR ENDED DECEMBER 31, 2024**

Federal Grantor / Pass through Grantor / Cluster Title / Program Title Grant Award Period	Federal Assistance Listing Number	Pass-through Entity Identifying Number or Direct Award	Program or Award Amount	Provided to Subrecipients	Total Federal Expenditures	Cumulative Expenditures
United States Department of Housing and Urban Development						
Passed through: Not applicable						
Cluster: CDBG Entitlement Grants						
Program: Community Development Block Grant (CDBG)						
07/01/2024 - 06/30/2025	14.218	Direct Award	\$ 1,131,991	\$ -	\$ 2,993	\$ 2,994
07/01/2023 - 06/30/2024	14.218	Direct Award	1,114,194	-	461,819	485,159
07/01/2022 - 06/30/2023	14.218	Direct Award	1,053,888	-	338,436	1,166,525
07/01/2021 - 06/30/2022	14.218	Direct Award	1,087,008	-	120,729	933,593
07/01/2020 - 06/30/2021	14.218	Direct Award	1,059,939	-	7,352	1,157,788
Program: COVID-19 CDBG-CV						
07/01/2020 - 06/30/2021	14.218	Direct Award	1,200,000	-	2,400	1,202,299
Total Assistance Listing No. 14.218						
					<u>933,729</u>	
Total CDBG Entitlement Grants Cluster						
					<u>933,729</u>	
Total United States Department of Housing and Urban Development				\$ -	\$ 933,729	
United States Department of Justice						
Passed through: Not applicable						
Cluster: Not Applicable						
Program: Bulletproof Vest Partnership Program						
04/01/2022 - 08/31/2024	16.607	Direct Award	\$ 13,640	\$ -	\$ 3,184	\$ 9,040
Program: COPS Hiring Program						
10/01/2022 - 09/30/2027	16.710	Direct Award	3,750,000	-	667,132	832,428
Program: COPS Technology & Equipment						
03/15/2022 - 03/31/2024	16.710	Direct Award	1,100,000	-	225,750	604,737
12/29/2022 - 12/31/2024	16.710	Direct Award	1,200,000	-	949,506	949,506
Total Assistance Listing No. 16.710						
					<u>1,842,388</u>	
Program: Edward Byrne Memorial Justice Assistance Grant Program						
08/22/2023 - 09/30/2025	16.738	Direct Award	28,718	-	28,441	28,441
Passed through: NJ Law and Public Safety						
Program: Body Worn Camera Policy and Implementation						
Cumulative and Ongoing	16.835	100-066-1020-495-092120	476,892	-	18,630	285,830
Total United States Department of Justice				\$ -	\$ 1,892,643	
United States Department of Transportation						
Passed through NJ Department of Law and Public Safety						
Cluster: Highway Safety						
Program: National Highway Traffic Safety Association - Click it or Ticket						
05/20/2024 - 06/02/2024	20.600	100-066-1160-119-031750	\$ 10,500	\$ -	\$ 9,765	\$ 9,765
Program: National Priority Safety Programs						
Non-Motorized Safety						
Pedestrian Safety Grant						
10/01/2023 - 09/30/2024	20.600	100-066-1160-***	35,000	-	35,000	35,000
Total Assistance Listing No. 20.600						
					<u>44,765</u>	
Program: Drive Sober or Get Pulled Over Holiday Crackdown						
08/19/2022 - 09/05/2022	20.616	100-066-1160-157-031020	10,500	-	5,670	13,790
Total Highway Safety Cluster						
					<u>50,435</u>	
Total United States Department of Transportation				\$ -	\$ 50,435	

CITY OF UNION CITY
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE TRANSITION YEAR ENDED DECEMBER 31, 2024**

Federal Grantor / Pass through Grantor / Cluster Title / Program Title Grant Award Period	Federal Assistance Listing Number	Pass-through Entity Identifying Number or Direct Award	Program or Award Amount	Provided to Subrecipients	Total Federal Expenditures	Cumulative Expenditures
United States Department of Treasury						
Passed through: Not applicable						
Cluster: Not Applicable						
Program: ARP-State and Local Fiscal Recovery Funds						
05/24/2021 - 12/31/2024	21.027	Direct Award	\$ 16,618,182	\$ -	\$ 2,500,700	\$ 16,618,182
Program: Automated License Plate Reader Program						
06/19/2023 - 12/31/2025	21.027	100-066-1020-580-091980	222,000		221,500	221,500
Total Assistance Listing No. 21.027					<u>2,722,200</u>	
Total United States Department of Treasury				\$ -	\$ 2,722,200	
United States Department of Health and Human Services						
Passed through: Not applicable						
Cluster: Not Applicable						
Program: Drug Free Community Programs (FAIN: H79SP020734)						
09/30/2022 - 09/29/2023	93.276	Direct Award	\$ 125,000	\$ -	\$ 95,109	\$ 123,947
09/30/2023 - 09/29/2024	93.276	Direct Award	125,000	-	29,921	29,921
Total Assistance Listing No. 93.276					<u>125,030</u>	
Passed through: NJDepartment of Health						
Cluster: Not Applicable						
Program: Strengthening Local Public Health Capacity - Epidemiology & Lab Capacity (Covid 19 Enhanced Detection Expansion) See Note 6						
07/01/2023 - 06/30/2024	93.323	100-046-4230-***	406,046	-	108,626	338,500
07/01/2024 - 06/30/2025	93.323	100-046-4230-***	74,664	-	11,659	23,319
Total Assistance Listing No. 93.276					<u>120,285</u>	
Passed through: NJDepartment of Health						
Cluster: Not Applicable						
Program: Strengthening Local Public Health Capacity Public Health Crisis Response (COVID Public Health Workforce) See Note 6						
07/01/2023 - 06/30/2024	93.354	100-046-4230-***	406,046	-	108,626	338,500
07/01/2024 - 06/30/2025	93.354	100-046-4230-***	74,664	-	11,659	23,319
Total Assistance Listing No. 93.276					<u>120,285</u>	
Total United States Department of Health and Human Services				\$ -	\$ 365,600	
TOTAL FEDERAL AWARDS				\$ -	\$ 5,964,607	

N/A - Information Not Available or Not Applicable

No funds were passed through to subrecipients.

CITY OF UNION CITY
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE TRANSITION YEAR ENDED DECEMBER 31, 2024

State Grantor / Pass through Grantor / Program Title / Grant Award Period	State Account Number or Program Code	Program or Award Amount	Provided to Subrecipients	Total State Expenditures	Cumulative Expenditures
NJ Department of Environmental Protection					
Passed through: Not applicable					
Program: Clean Communities					
07/01/2021 - 09/30/2023	765-042-4900-004-178910	\$ 93,039	\$ -	\$ 881	\$ 93,039
07/01/2023 - 06/30/2024	765-042-4900-004-178910	104,355		63,984	98,593
Total Clean Communities				<u>64,865</u>	
Program: It Pay\$ to Plug					
02/03/2024 - 11/21/2024	*	24,000	-	21,146	21,146
Program: Recycling Tonnage					
07/01/2022 - 06/30/2023	100-042-4910-224-238490	107,409	-	29,396	42,623
Program: Clean Energy Electric Vehicle Tourism Grant					
06/01/2022 - 05/30/2023	*	42,000	-	7,610	42,000
Program: Green Acres Trust:					
Green Acres - 4100 Palisade Ave.					
06/17/2022	*	1,000,000	-	27,623	42,823
Green Acres - Reservoir Purchase					
09/01/2017 - 09/01/2018	100-072-4870-038	1,000,000	-	267,527	348,145
Total Green Acres Trust				<u>295,150</u>	
Total NJ Department of Environmental Protection			\$ -	\$ 418,167	
NJ Department of Treasury					
Passed through the County of Hudson:					
Program: Municipal Alliance to Prevent Alcoholism and Drug Abuse					
07/01/2023 - 06/30/2024	100-082-C001-004	\$ 21,005	\$ -	\$ 8,925	\$ 21,005
07/01/2024 - 06/30/2025	100-082-C001-004	21,005	-	14,905	14,905
Program: Youth Leadership Municipal Alliancee					
09/01/2023 - 09/30/2025	406-7-2022	7,616	-	7,616	7,616
Total Municipal Alliance to Prevent Alcoholism and Drug Abuse				<u>31,446</u>	
Passed through: Not Applicable					
Program: Community Energy Plan Grant					
06/01/2022 - 11/30/2023	71D-082-2014-022	25,000	-	14,700	21,500
Total NJ Department of Treasury			\$ -	\$ 46,146	
NJ Department of Law and Public Safety					
Passed through: Not applicable					
Program: Body Armor Replacement Fund					
01/01/2023 - 12/31/2027	718-066-1020-001-090160	\$ 9,471	\$ -	\$ 2,856	\$ 5,538
Total NJ Department of Law and Public Safety			\$ -	\$ 2,856	

CITY OF UNION CITY
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE TRANSITION YEAR ENDED DECEMBER 31, 2024

State Grantor / Pass through Grantor / Program Title / Grant Award Period	State Account Number or Program Code	Program or Award Amount	Provided to Subrecipients	Total State Expenditures	Cumulative Expenditures
NJ Department of Transportation:					
Passed through: Not applicable					
Program: Municipal Aid					
Various Streets 2021 - FY 21 Municipal Aid					
05/01/2019 - 03/25/2021	2021-480-078-6320-10-AOP-606281	\$ 720,000	\$ -	\$ 16,670	\$ 813,407
Program: Local Aid Infrastructure					
Road Improvement 37th & 38th					
* - *	2018-480-078-6320-AMU-600088	1,700,000	-	898,636	898,636
Program: Others					
18th, 19th & 16th St Improvements - FY24 Municipal Aid					
* - *	2024-480-078-6320-APS-606284	860,394	-	487,027	487,027
Central Ave Corridor Improvements - Local Aid Infrastructure					
* - *	2014-480-078-6320-ALM-600084	1,103,850	-	(70,623)	-
13th, 42nd and 47th Streets - Municipal Aid Program					
07/01/2023 - *	2022-480-078-6320-AO1-606282	443,000	-	383,863	383,863
13th, 37th and 38th Streets - Municipal Aid Program					
07/01/2022 - *	2023-480-078-6320-APF-606283	881,990	-	58,230	561,728
Total Combined Transportation Programs			-	1,773,803	
Total NJ Department of Transportation			\$ -	\$ 1,773,803	
NJ Administrative Office of the Courts:					
Passed through: Not applicable					
Program: Alcohol Education and Rehabilitation					
07/01/2013 - *	760-098-9735-001-060000	\$ 3,368	\$ -	\$ 250	\$ 250
07/01/2013 - *	760-098-9735-001-060000	2,216	-	1,311	2,216
Total Alcohol Education and Rehabilitation			-	1,561	
Total NJ Administrative Office of the Courts			\$ -	\$ 1,561	
NJ Department of Community Affairs:					
Passed through: Not applicable					
Program: Urban Enterprize Zone (UEZ) Assistance Fund					
7/1/2023 - **	2025-763-022-8030-041-090240	\$ 1,774,933	\$ -	\$ 1,510,109	\$ 1,510,109
7/1/2022 - **	2023-08031-0858	1,702,712	-	87,689	1,702,712
Total Urban Enterprize Zone (UEZ) Assistance Fund			-	1,597,798	
Program: DCA Local Recreation Grant-Pool Improvements					
5/17/2023 - 12/31/2024	2023-495-022-8030-668-041190	97,000	-	86,300	86,300
Program: Lead Grant Assistance Program					
1/1/2023 - 12/31/2024	23-100-022-8020-304	87,700	-	36,428	36,428
Program: DCA Social Services Grant					
7/1/2023 - 12/31/2024	2024-495-022-8030-742-040018	5,000,000	-	4,777,522	4,777,522
Total NJ Department of Community Affairs			\$ -	\$ 6,498,048	
TOTAL STATE FINANCIAL ASSISTANCE			\$ -	\$ 8,740,581	

N/A - Information Not Available or Not Applicable

**CITY OF UNION CITY
NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the City of Union City (the “City”) under programs of the federal government for the six month transition year ended December 31, 2024. The information in the SEFA 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). Because the SEFA represents 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.

The accompanying schedule of expenditures of State financial assistance (SESFA) includes New Jersey State (the “State”) award activity of the City under programs of the State government for the six month transition year ended December 31, 2024. The information in the SESFA is presented in accordance with the requirements of New Jersey Office of Management and Budget Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* (NJ OMB Circular 15-08). Because the SESFA represents 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.

Reporting Entity

Administration of the federal and State grant programs awarded to the City is performed by the various departments of the City. The City is the reporting entity for these federal and State grant programs. The City, for purposes of the SEFA and SESFA, includes all of the primary government as defined criteria established by the Governmental Accounting Standards Board. The City administers certain federal and state award programs through subrecipients. Those subrecipients are not considered part of the City’s reporting entity.

Basis of Accounting

The accounting policies of the City conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). 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 accounting practices which differ from those required by accounting principles generally accepted in the United States of America, as described in the following paragraph.

In accordance with directives from the Division, the City fully realizes revenues and charges appropriations when grants are adopted by the governing body in the budget of its Current Fund. Grant revenues are realized in the Current Fund and the amount awarded is accounted for as a receivable. Appropriations are charged in the Current Fund and the amount allotted for spending is accounted for as an appropriated grant reserve. Programs within the General Capital Fund and various trust funds are accounted for within the equivalent revenue accounts for those respective funds. Expenditures are measured from payments charged directly to specific grant programs.

Local Contributions

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

NOTE 2. INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**CITY OF UNION CITY
NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 3. CONTINGENCIES

Entitlement to grant 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. Such contingencies are fully disclosed in the Notes to the Financial Statements.

NOTE 4. MONITORING OF SUB-RECIPIENTS

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 sub-recipient in a fiscal year, the City is responsible for determining that the expenditures of federal and state monies passed through to sub-recipients are utilized in accordance with applicable laws and regulations. Further, the Uniform Guidance places other related responsibilities upon the City. Those responsibilities may be discharged in any of several ways, including relying on independent audits performed by subrecipients. Subrecipient audit reports for the six month transition year ended December 31, 2024 were reviewed and findings and questioned costs, if any, were disclosed.

NOTE 5. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The regulations and guidelines governing the preparation of federal and State financial reports vary by federal and state agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal and state financial reports do not necessarily agree with the amounts reported in the accompanying schedules of expenditures of federal awards and state financial assistance, which are prepared on the basis of accounting explained in Note 1.

NOTE 6. PASS-THROUGH AWARDS AND COMMINGLED ASSISTANCE

The City receives federal and State awards passed-through different levels of government. As a result, the individual sources of federal and State awards may be commingled and not always separately identifiable. In instances in which the federal amounts received are commingled by the State or other levels of government with other funds and cannot be separately identified, they are reported as federal expenditures. In instances in which the State amounts received are commingled by other levels of government, other than federal, and cannot be separately identified, they are reported as State expenditures. The following awards include both state and federal funding which are not separately identifiable, and which are reported on the schedule of expenditures of federal awards:

Strengthening Local Public Health Capacity

The City receives grant awards from the New Jersey Department of Health and Human Services which include pass-through Federal funding commingled with State NJ Health and Human Services (NJHHS) funding. The source of the Federal funds is the United States Department of Health and Human Services (USHHS) Strengthening Local Public Health Capacity Grants, specifically, which consists of the Epidemiology and Lab Capacity (Covid 19 Enhanced Detection Expansion) Program (Assistance Listing Number 93.323) and the Public Health Crisis Response (COVID Public Health Workforce) Program (Assistance Listing Number 93.354). The City's accounting system commingles these programs. A review of the USHHS funding indicates approximately 50% is from each of these Federal programs, then passed through the State NJHHS along with State funds. Accordingly, the SEFA allocates this commingled funding as 50% to each.

**CITY OF UNION CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified-as prescribed by NJ DLGS Adverse-according to GAAP</u>	
Internal Control over Financial Reporting:		
1) Material weakness(es) identified?	<u>Yes</u>	<u>✓ No</u>
2) Significant deficiency(ies) identified?	<u>Yes</u>	<u>✓ No</u>
Noncompliance material to basic financial statements noted?	<u>Yes</u>	<u>✓ No</u>

Federal Awards

Internal Control over Major Federal Programs:		
1) Material weakness(es) identified?	<u>Yes</u>	<u>✓ No</u>
2) Significant deficiency(ies) identified?	<u>Yes</u>	<u>✓ No</u>
Type of auditor's report issued on compliance for major federal programs:	<u>Unmodified for all major federal programs.</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>Yes</u>	<u>✓ No</u>

Identification of major Federal Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	- CDBG Entitlement Grants Cluster
21.027	- ARP-State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B Programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u> <u>✓ No</u>

State Financial Assistance

Internal control over state programs:		
1) Material weakness(es) identified?	<u>Yes</u>	<u>✓ No</u>
2) Significant deficiency(ies) identified?	<u>Yes</u>	<u>✓ No</u>
Type of auditor's report issued on compliance for major State programs:	<u>Unmodified for all major State programs.</u>	
Any audit findings disclosed that are required to be reported in accordance with NJ OMB 15-08, as amended?	<u>Yes</u>	<u>✓ No</u>

Identification of major State programs

<u>Program Code</u>	<u>Name of State Program</u>
2024-495-022-8030-742-040018	- DCA Social Services Grant
100-072-4870-038	- Green Acres Trust

Dollar threshold used to distinguish between Type A and Type B Programs:	<u>\$ 750,000</u>
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**CITY OF UNION CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024**

Section II - Schedule of Financial Statement Findings

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

No reportable findings.

**CITY OF UNION CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024**

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.)

No reportable findings identified.

**CITY OF UNION CITY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND
QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024**

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.)

No applicable prior-year audit findings.

CITY OF UNION CITY

REPORT OF AUDIT

**OTHER REPORTING:
LETTER OF COMMENTS AND RECOMMENDATIONS**

**CITY OF UNION CITY
GENERAL COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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 when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of 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 the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$44,000. 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 City has elected to increase its bid threshold to \$44,000.

N.J.S.A. 40A:11-4 states: “Every contract awarded by a 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 therefore, except as is provided otherwise in this act or specifically by any other law.” The minutes indicate that bids were requested by public advertisement and contracts awarded.

The system of records does 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 accumulation could not be reasonably ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violation existed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$44,000 “for the performance of any work, or for the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles,” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S.A. 40A:11-6.

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

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 thereof 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.”

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

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

**CITY OF UNION CITY
GENERAL COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

N.J.S.A. 40A:11-6.1(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.

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.”

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.

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 agent 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 is \$6,600 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 on the 20th day of May, 1980, adopted the following resolution authorizing interest to be charged on delinquent taxes.

“WHEREAS, the City of Union City is desirous of determining rates of interest to be charged for delinquent payment of taxes. NOW THEREFORE, BE IT RESOLVED by the Mayor and the Board of Commissioners of the City of Union City as follows:

1. Pursuant to N.J.S.A. 54:4-67, the rate of interest to be charged for the non-payment of taxes on or before the date when they would become delinquent is hereby fixed at eight percent (8%) per annum on the first \$1,500 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500 to be calculated from the date the tax was payable until the date of actual payment, provided however that no interest shall be charged if payment of any installment is made within the tenth (10th) calendar day following the date upon which the same becomes payable”.

It appears from the examination of the Collector’s records that interest was generally collected in accordance with the foregoing resolutions.

**CITY OF UNION CITY
GENERAL COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

TAXES AND TAX TITLE LIENS

The taxes outstanding at December 31, 2024 included taxes from the year ended December 31, 2024 and the transition year ended December 31, 2023 and prior. The following comparison is made of the number of tax title liens receivable:

<u>Year Ended</u>	<u>Number of Liens</u>
Calendar Year Ended	
December 31, 2024	3
Transition Year Ended	
December 31, 2023	3
State Fiscal Year Ended	
June 30, 2023	2
June 30, 2022	2
June 30, 2021	2
June 30, 2020	2
June 30, 2019	3
June 30, 2018	3
June 30, 2017	3
June 30, 2016	4

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 identified no change orders which exceeded 20% of the originally awarded contract during the year ended December 31, 2024.

**CITY OF UNION CITY
COMMENTS AND RECOMMENDATIONS
FOR THE ENDED DECEMBER 31, 2024**

FINDING 2024-001: Overexpenditures

The City expended \$2,577,373 in excess of amounts appropriated in the current year budget, and \$631,234 in excess of amounts available in its appropriation reserves. The New Jersey Local Budget Law, N.J.S.A. 40A:4-57, prohibits the expenditure of any moneys in the excess of the amount appropriated for such purposes.

Recommendation: The City should implement or strengthen procedures that will identify and prevent overexpenditures of appropriations prior to ordering goods and services.

FINDING 2024-002: Fixed Assets Inventory

Audit sampling of 29 vehicles on the City’s fixed assets inventory identified four vehicles that were previously junked, but remain on the inventory. An additional two vehicles could not be located at time of inspection.

Recommendation: Fixed Asset disposal documentation should be forwarded to City officials responsible for updating and maintaining the City’s fixed assets inventory.

FINDING 2024-003: Tax Deductions

The City did not provide three of 25 tax abatement applications requested for audit testing. The City did not provide four of 25 veteran deduction applications requested, therefore it could not be determined whether these property owners were eligible for the tax deduction.

Recommendation: The City should retain applications supporting abatements and veterans deductions, and verify whether deductions were properly removed when property is sold or transferred.

FINDING 2024-004: Procurement

The City did not provide resolutions awarding contracts for several vendors with contracts exceeding the pay to play threshold. One instance was noted in which no proof of advertisement was provided for the request of proposals. Several bid packages did not include proof of submission of certain required forms and documentation identifying other responding bidders.

Recommendation: The City must retain and make available for audit review all resolutions awarding contracts, proofs of advertisement for solicitation of fair and open proposals and bids, and all forms required with the submission of bids.

**CITY OF UNION CITY
COMMENTS AND RECOMMENDATIONS
FOR THE ENDED DECEMBER 31, 2024**

Status of Prior Years' Audit Recommendations

A review was performed on all prior year's recommendations. With the exception of those findings repeated from the prior year, corrective action was taken on all prior year recommendations.

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.

Schedule of Findings and Questioned Costs

We noted certain other matters that we reported in the accompanying schedule of findings and questioned costs section of this report. Such matters are required to be reported under *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and N.J. OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
