

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

REPORT OF AUDIT

FOR THE YEARS ENDED
JUNE 30, 2023 AND 2022

CITY OF UNION CITY
 AUDIT OF FINANCIAL STATEMENTS
 JUNE 30, 2023

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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 June 30, 2023 and 2022, 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 June 30, 2023 and 2022, 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 June 30, 2023 and 2022, 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 18, the fiscal year ended June 30, 2023 will be the City’s final fiscal year ending on June 30. The City is reverting to a fiscal year based on a calendar year, the first of which will encompass the period January 1, 2024 through December 31, 2024. In order to implement this reversion, the City will have a six month Transition Year for the period July 1, 2023 through December 31, 2023. Our opinion on the basic financial statements is not affected by the receipt of Transitional Aid by the City.

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.

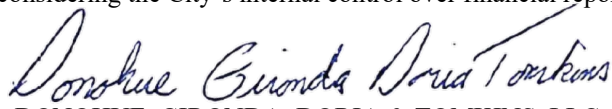
Other Information


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 December 28, 2023, 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
December 28, 2023

CITY OF UNION CITY

REPORT OF AUDIT

**FINANCIAL SECTION:
CURRENT FUND FINANCIAL STATEMENTS**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Current Fund:			
Cash and Cash Equivalents	A-4	\$ 6,963,427	\$ 8,702,729
Change Fund	A-5	398	830
		<u>6,963,825</u>	<u>8,703,559</u>
Intergovernmental Receivable:			
Due from State of NJ:			
Senior & Veteran Deductions	A-12	23,403	25,167
Marriage Licenses	A-6	861	-
State Aid	A-10	5,000,000	-
		<u>5,024,264</u>	<u>25,167</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-7	20,458	4,522
Tax Title Liens Receivable	A-13	32,573	29,551
Relocation Assistance Receivable	A-9	125,278	11,552
Revenue Accounts Receivable	A-10	248,000	1,705,501
Interfunds Receivable:			
Due from Federal and State Grants Fund	A-11	11,864	8,890
Due from CDA Trust Fund	A-11	-	146,035
Other Receivables	A-14	483,366	362,502
		<u>921,539</u>	<u>2,268,553</u>
Deferred Charges:			
Emergency Authorizations (N.J.S. 40A:4-47)		2,420,000	3,630,000
Special Emergency Authorizations (N.J.S. 40A:4-53)		4,059,176	4,512,996
Cancellation of Grant Receivables		-	498,916
Overexpenditures		1,458,476	4,504,944
COVID-19 Revenue loss		1,035,500	1,380,800
Health Insurance & Solid Waste Removal (COVID)	A-23	3,283,600	4,380,000
		<u>12,256,752</u>	<u>18,907,656</u>
Total Current Fund Assets		<u>25,166,380</u>	<u>29,904,935</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-4	566,468	3,368,073
Federal and State Grants Receivable	A-25	17,083,221	11,153,147
Total Federal and State Grant Fund Assets		<u>17,649,689</u>	<u>14,521,220</u>
Total Assets		<u>\$ 42,816,069</u>	<u>\$ 44,426,155</u>

See Accompanying Notes to the Financial Statements.

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Liabilities and Reserves:			
Appropriation Reserves	A-3, A-15	\$ 1,348,518	\$ 867,890
Tax Overpayments	A-8	1,861	8,634
Interfunds Payable:			
Due to Other Trust	A-11	-	69,510
Due to Animal Control Trust	A-11	-	27
Intergovernmental Payables	A-16	30,394	69,918
Reserve for Liquor License Retirement	A-17	58,055	45,005
Prepaid Taxes	A-18	146,707	214,904
Reserve for Encumbrances	A-22	5,608,247	8,845,750
Special Emergency Notes Payable	A-24	7,703,000	11,043,000
Total Liabilities and Reserves		<u>14,896,782</u>	<u>21,164,638</u>
Reserve for Receivables		921,539	2,268,553
Fund Balance	A-1	<u>9,348,059</u>	<u>6,471,744</u>
Total Current Fund Liabilities, Reserves and Fund Balance		<u>25,166,380</u>	<u>29,904,935</u>
Federal and State Grant Fund:			
Liabilities and Reserves:			
Reserve for Encumbrances	A-22	1,248,499	1,927,660
Reserve for State and Federal Grants:			
Appropriated	A-26	14,767,467	12,584,670
Unappropriated	A-28	1,621,859	-
Interfunds Payable:			
Due to Current Fund	A-27	11,864	8,890
Total Federal and State Grant Fund Liabilities and Reserves		<u>17,649,689</u>	<u>14,521,220</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 42,816,069</u>	<u>\$ 44,426,155</u>

**CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023 AND 2022**

EXHIBIT A-1
Sheet 1 of 2

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

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 3,275,535	\$ 467,457
Miscellaneous Revenue Anticipated	A-2	89,907,770	79,148,489
Receipts from Delinquent Taxes	A-2	4,522	24,984
Receipts from Current Taxes	A-2	120,297,094	114,811,339
Non-Budget Revenues	A-2	721,901	444,328
Other Credits to Income:			
Other Receivables Returned	A-14	362,502	99,663
Unexpended Balance of Appropriation Reserves	A-15	297,453	949,997
Dog License Fund - Statutory Excess	A-11	1,906	6,112
Cancelled Grants		-	103,807
Prior Year Interfunds Returned		-	2,573,544
		<u>214,868,683</u>	<u>198,629,720</u>
<u>Expenditures</u>			
Budget Appropriations:			
Appropriations within "CAPS"			
Salaries and Wages		43,572,282	43,027,730
Other Expenses		50,167,108	53,966,047
Deferred Charges and Statutory Expenditures		16,359,616	14,267,458
Appropriations excluded from "CAPS"			
Operations			
Salaries and Wages		8,244,160	3,980,506
Other Expenses		31,809,794	31,481,489
Capital Improvements		9,139,225	5,200,000
Debt Service		10,160,989	9,684,299
Deferred Charges		4,599,436	4,233,820
Reserve for Uncollected Taxes		1,169,107	1,128,886
Total Budget Appropriations	A-3	<u>175,221,717</u>	<u>166,970,235</u>
Local School District Taxes	A-2, A-19	15,418,637	15,418,637
County Taxes	A-2, A-20	18,445,763	18,691,989
Due County for Added and Omitted Taxes	A-2, A-20	79,428	163,628
Other Receivable Advances	A-14	483,366	362,502
Grant Receivable Writeoffs	A-11	47,308	-
Interfund Advances Originating in Current Year	A-11	11,864	154,925
State Audit Adjustment for Senior and Veterans Deductions	A-12	3,750	6,500
Refund of Prior Year Revenue		-	162,988
Uncollectible Police Detail Funds		-	69,510
		<u>209,711,833</u>	<u>202,000,914</u>
Excess in Revenue		5,156,850	-
Deficit in Revenue		-	3,371,194

See Accompanying Notes to the Financial Statements.

**CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023 AND 2022**

EXHIBIT A-1
Sheet 2 of 2

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

	<u>Ref.</u>	<u>2023</u>	<u>2022</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	\$ -	\$ 2,292,597
Emergency Authorizations	A-23	995,000	-
Overexpenditures	A-23	-	3,808,393
Statutory Excess to Fund Balance		6,151,850	2,729,796
Fund Balance, Beginning of Year	A	<u>6,471,744</u>	<u>4,209,405</u>
		12,623,594	6,939,201
Decreased by Utilized as Anticipated Revenue	A-1	<u>3,275,535</u>	<u>467,457</u>
Fund Balance, End of Year	A	<u>\$ 9,348,059</u>	<u>\$ 6,471,744</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)
Surplus Anticipated	\$ -	\$ -	\$ -	\$ -
Surplus Anticipated with Prior Written Consent of Director of Local Government Services	3,275,535	-	3,275,535	-
	<u>3,275,535</u>	<u>-</u>	<u>3,275,535</u>	<u>-</u>
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	219,329	-	228,190	8,861
Other	118,813	-	133,639	14,826
Fees and Permits	191,748	-	209,170	17,422
Fines and Costs - Municipal Court	1,801,963	-	1,859,441	57,478
Interest and Costs on Taxes	235,726	-	214,537	(21,189)
Interest on Investments and Deposits	89,635	-	968,181	878,546
Wedding Fees	31,957	-	34,239	2,282
City Share of Police Details	94,480	-	129,772	35,292
Public Telephone Commissions	115,125	-	103,582	(11,543)
Cable Franchise Fees	227,303	-	194,921	(32,382)
Payment in Lieu of Taxes:				
Union Plaza Apartments	346,625	-	337,585	(9,040)
Palisade Urban Renewal Assoc.	36,199	-	43,321	7,122
Holy Rosary	28,790	-	29,845	1,055
Horizon Heights	14,775	-	15,460	685
Serv Properties	940	-	705	(235)
Suede Promotions	20,000	-	20,000	-
Monastery Redevelopment Group LLC	39,420	-	39,451	31
	<u>3,612,828</u>	<u>-</u>	<u>4,562,039</u>	<u>949,211</u>
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	5,621,655	-	5,621,655	-
Energy Receipts Taxes	16,828,507	-	16,828,507	-
Transitional Aid	22,500,000	-	22,500,000	-
Transitional Aid - Various Capital Projects	5,670,000	-	5,670,000	-
State Aid - Additional	10,000,000	-	10,000,000	-
Municipal Relief Fund Aid	1,275,415	-	1,275,415	-
	<u>61,895,577</u>	<u>-</u>	<u>61,895,577</u>	<u>-</u>
Dedicated Uniform Construction Code Fees Offset with Appropriations:				
Uniform Construction Code Fees	1,605,719	-	1,614,674	8,955
Special Items of Revenue - Shared Service Agreements				
Union City Board of Education:				
Recreational Center	425,000	-	425,000	-
Solid Waste Removal	522,906	-	1,045,812	522,906
Off Duty Police Officers	100,000	-	114,820	14,820
47th Street Pool	136,000	-	136,000	-
Police Services (School Resource)	436,843	-	667,084	230,241
School Crossing Guards	2,429,444	-	2,429,444	-
Snow Removal	100,000	-	-	(100,000)
Police Services - SLEO	1,531,400	-	1,425,641	(105,759)
	<u>5,681,593</u>	<u>-</u>	<u>6,243,801</u>	<u>562,208</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				
Community Energy Plan Grant	\$ 25,000	\$ -	\$ 25,000	\$ -
COVID-19 Vaccination Supplemental Funding 2023	50,000	-	50,000	-
Recycling Tonnage Grant	107,409	-	107,409	-
Bulletproof Vest	13,640	-	13,640	-
Pedestrian Safety Grant	35,000	-	35,000	-
Municipal Alliance on Alcoholism & Drug Abuse	21,005	-	21,005	-
Body Armor Replacement Fund	9,471	-	9,471	-
Distracted Driving Crackdown Grant	12,250	-	12,250	-
Enhancing Local Public Health Infrastructure	653,917	-	653,917	-
Prevention Coalition Drug-Free Communities	125,000	-	125,000	-
Dept of Community Affairs - 41st Street Park Grant	1,700,000	-	1,700,000	-
Youth Leadership Municipal Alliance	7,616	-	7,616	-
Electric Vehicle DC Fast Charger Community Grant	150,000	-	150,000	-
Clean Energy Electric Vehicle Tourism Grant	42,000	-	42,000	-
Green Acres - 4100 Palisade Acquisition	225,000	-	225,000	-
Drive Sober Year End Holiday Crackdown	10,500	-	10,500	-
Drive Sober Get Pulled Over	8,750	-	8,750	-
National Opioid Settlement	346,324	-	346,324	-
NJDOT Municipal Aid Program 13,37th &38th St Impro	881,990	-	881,990	-
COPS Hiring Program	3,750,000	-	3,750,000	-
COPS Technology & Equipment	1,100,000	-	1,100,000	-
Click it or Ticket	-	14,000	14,000	-
Farmers Market	-	1,220	1,220	-
Strengthening Local Public Health Capacity	274,735	-	274,735	-
	<u>9,549,607</u>	<u>15,220</u>	<u>9,564,827</u>	<u>-</u>
Special Items of Revenue - Other				
North Hudson Community Action Center Lease	26,640	-	30,364	3,724
Sale of Building	2,469,225	-	2,469,225	-
Capital Surplus	432,000	-	432,000	-
Interfund - CDBG Trust Fund	146,035	-	146,035	-
Interfund - Grant Fund	8,890	-	8,890	-
Emergency Medical Services	800,000	-	1,084,601	284,601
Division of Fire Safety	79,624	-	-	(79,624)
Reserve for Debt Service	156,698	-	156,698	-
Five Year Abatement Program	920,035	-	699,039	(220,996)
American Rescue Plan Act / Coronavirus				
State and Local Fiscal Recovery Funds (SLFRF)				
COVID-19 Health Insurance Increase	1,000,000	-	1,000,000	-
	<u>6,039,147</u>	<u>-</u>	<u>6,026,852</u>	<u>(12,295)</u>
Total Miscellaneous Revenues	88,384,471	15,220	89,907,770	1,508,079
Receipts From Delinquent Taxes	16,481	-	4,522	(11,959)
Subtotal General Revenues	<u>91,676,487</u>	<u>15,220</u>	<u>93,187,827</u>	<u>1,496,120</u>
Amount to Be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	\$ 81,863,170	\$ -	\$ 84,777,403	\$ 2,914,233
Minimum Library Tax	1,575,863	-	1,575,863	-
	<u>83,439,033</u>	<u>-</u>	<u>86,353,266</u>	<u>2,914,233</u>
Total Budget Revenues	175,115,520	15,220	179,541,093	4,410,353
Non-Budget Revenues	-	-	721,901	721,901
Total General Revenues	<u>\$ 175,115,520</u>	<u>\$ 15,220</u>	<u>\$ 180,262,994</u>	<u>\$ 5,132,254</u>
	A-3	A-3		

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)
Analysis of Budget Revenue Realized				
Allocation of Current Taxes				
Revenue from Collections	A-7	\$ 119,127,987		
Add: Reserve for Uncollected Taxes	A-3	<u>1,169,107</u>		
	A-1	120,297,094		
Less: Allocated to School Taxes	A-1, A-19	15,418,637		
Allocated to County Taxes	A-1, A-20	<u>18,525,191</u>		
Amount for Support of Municipal Budget			\$ 86,353,266	
Receipts from Delinquent Taxes				
Delinquent Tax Collections	A-7	<u>4,522</u>		
	A-1		4,522	
Miscellaneous Revenues Anticipated				
Cash Receipts	A-10	66,764,682		
Revenues from Other Funds, Reserves and Deposits	A-10	8,578,261		
Non-Reserved Revenues Receivable from State	A-10	5,000,000		
Grant Revenue - As Adopted	A-11	9,549,607		
Grant Revenue - Added by NJSA 40A:4-87	A-11	<u>15,220</u>		
Total Miscellaneous Revenues	A-1		89,907,770	
Surplus Anticipated	A-1		<u>3,275,535</u>	
Total Budget Revenues Anticipated			<u>\$ 179,541,093</u>	
Analysis of Non-Budget Revenue				
Received in Cash				
LEA Rebate			\$ 82,259	
Copy of Reports			37,587	
31st Street Parking Lot			5,660	
Bus Shelter Rent			3,000	
Police Detail Admin Fee			97,800	
Miscellaneous			208,571	
Unclaimed Tax Credit			8,635	
Municipal Lien Redemption Interest			332	
Building Department Settlements			268,400	
Foreclosure Premium to City			700	
Foreclosed Property Fees			5,000	
Motor Vehicle Inspection Fines			100	
Return of Bank Fees			3,224	
2% Admin payment-Sr Citizen/Vets			<u>633</u>	
	A-1		<u>\$ 721,901</u>	
	A-4		\$ 624,101	
	A-11		<u>97,800</u>	
			<u>\$ 721,901</u>	

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
(A) Operations - Within "CAPS"						
Department of Public Affairs:						
Director's Office						
Salaries and Wages	\$ 320,620	\$ 323,318	\$ 323,318	\$ -	\$ -	\$ -
Other Expenses	9,000	3,500	3,235	-	265	-
Municipal Court						
Salaries and Wages	1,486,920	1,457,220	1,457,218	-	2	-
Other Expenses	240,000	301,435	243,611	57,824	-	-
Public Defender						
Other Expenses	85,000	84,000	70,020	12,850	1,130	-
Senior Citizens						
Salaries and Wages	651,200	617,000	616,984	-	16	-
Other Expenses	34,000	44,695	44,694	-	1	-
Hispanic/Cultural Affairs						
Other Expenses	33,000	33,000	31,050	1,050	900	-
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	23,150	22,231	22,231	-	-	-
Other Expenses	31,000	24,338	10,764	-	13,574	-
Continuous Planning Program	90,000	73,500	40,707	27,410	5,383	-
Celebration of Public Events						
Other Expenses	167,000	162,900	162,819	-	81	-
Department of Revenue and Finance:						
Director's Office						
Salaries and Wages	16,000	15,500	15,500	-	-	-
Other Expenses	5,000	800	757	-	43	-
City Clerk's Office						
Salaries and Wages	357,100	357,926	357,926	-	-	-
Other Expenses	130,000	133,642	101,114	32,528	-	-
Treasurer's Office						
Salaries and Wages	390,100	392,341	392,341	-	-	-
Other Expenses	820,000	700,000	660,661	26,197	13,142	-
Assessment of Taxes						
Salaries and Wages	361,765	367,057	367,057	-	-	-
Other Expenses	16,000	17,239	17,238	-	1	-
Collection of Taxes						
Salaries and Wages	236,000	235,418	235,417	-	1	-
Other Expenses	25,000	25,841	25,638	203	-	-
Central Purchasing						
Salaries and Wages	129,245	133,074	133,074	-	-	-
Other Expenses	15,000	15,000	8,337	-	6,663	-
Rent Control Board						
Salaries and Wages	382,272	374,245	374,245	-	-	-
Other Expenses	60,000	14,500	11,486	3,004	10	-
Insurance						
General Liability	2,420,000	2,590,302	2,570,184	20,117	1	-
Workers Compensation	2,150,000	2,156,208	2,151,186	5,022	-	-
Employee Group Health	22,414,228	21,558,770	20,371,079	403,923	783,768	-
Tax Searches						
Salaries and Wages	5,000	5,000	5,000	-	-	-
Other Expenses	250	250	-	-	250	-
Elections						
Salaries and Wages	10,000	1,811	1,811	-	-	-
Other Expenses	295,000	339,905	321,447	18,458	-	-
Membership NJ League of Municipalities						
Other Expenses	4,600	4,600	4,485	75	40	-
Annual Audit						
Other Expenses	97,000	92,000	-	92,000	-	-
Printing - All Departments						
Other Expenses	633,500	644,394	644,393	-	1	-
Photocopying						
Other Expenses	50,000	62,632	62,631	-	1	-
Tax Sale Costs						
Other Expenses	10,000	7,905	-	7,905	-	-

See Accompanying Notes to the Financial Statements.

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
(A) Operations - Within "CAPS"						
Department of Revenue and Finance:						
Postage-All Departments						
Other Expenses	\$ 400,000	\$ 443,255	\$ 441,294	\$ 1,960	\$ 1	\$ -
Data Processing						
Other Expenses	25,000	17,800	17,725	-	75	-
Day Care Center						
Other Expenses	260,000	260,000	130,000	130,000	-	-
Department of Parks and Public Property:						
Director's Office						
Salaries and Wages	182,000	175,926	175,925	-	1	-
Other Expenses	5,000	5,000	3,497	-	1,503	-
Department of Public Safety:						
Director's Office						
Salaries and Wages	750,000	746,953	715,124	-	31,829	-
Other Expenses	201,000	219,184	210,983	8,200	1	-
Weddings						
Salaries and Wages	31,200	34,175	34,175	-	-	-
Legal Department						
Salaries and Wages	201,060	212,408	212,407	-	1	-
Tenant Advocacy	10,000	8,500	8,438	-	62	-
Other Expenses	1,611,000	1,823,780	1,407,760	416,020	-	-
Police Department						
Salaries and Wages	23,762,826	23,575,384	23,573,167	-	2,217	-
Overtime	1,000,000	963,048	963,047	-	1	-
Other Expenses	1,200,000	1,229,929	1,027,024	202,854	51	-
Traffic Signs and Safety						
Other Expenses	70,000	70,000	25,228	-	44,772	-
Emergency Management Services						
Salaries and Wages	33,500	33,500	33,500	-	-	-
Other Expenses	5,500	3,752	3,752	-	-	-
Emergency Medical Services						
Salaries and Wages	2,493,235	2,503,134	2,503,134	-	-	-
Other Expenses	135,000	89,000	87,354	766	880	-
Life Hazard Use Fee-Uniform Fire Safety						
Other Expenses	30,000	30,000	25,053	1,502	3,445	-
Fleet Maintenance						
Other Expenses	800,000	800,000	722,970	55,753	21,277	-
Contribution to UCRA	126,000	-	-	-	-	-
Board of Health						
Salaries and Wages	347,000	335,989	335,989	-	-	-
Other Expenses	165,000	154,200	154,035	75	90	-
Welfare						
Relocation Assistance	363,862	1,319,421	1,295,130	24,290	1	-
Department of Public Works:						
Director's Office						
Salaries and Wages	380,000	354,077	354,076	-	1	-
Other Expenses	45,000	55,657	55,416	240	1	-
Street Cleaning						
Salaries and Wages	5,325,665	5,414,201	5,414,201	-	-	-
Other Expenses	170,000	258,849	255,499	3,350	-	-
Streets Repairs and Maintenance						
Other Expenses	230,000	102,000	91,913	9,743	344	-
Snow Removal						
Salaries and Wages	10,000	8,628	8,628	-	-	-
Other Expenses	30,000	34,610	34,610	-	-	-
Board of Adjustment						
Salaries and Wages	22,000	22,000	22,000	-	-	-
Other Expenses	46,000	47,172	44,872	2,300	-	-
Solid Waste Disposal						
Salaries and Wages	1,344,000	1,353,118	1,353,118	-	-	-
Other Expenses	4,899,544	4,569,544	4,308,000	260,446	1,098	-
Engineering Services						
Other Expenses	1,500,000	1,500,000	1,385,619	-	114,381	-
Public Assistance						
Other Expenses	460,000	716,597	708,865	7,602	130	-

See Accompanying Notes to the Financial Statements.

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
(A) Operations - Within "CAPS"						
Department of Parks and Public Property:						
Parks and Playgrounds						
Other Expenses	\$ 800,000	\$ 854,044	\$ 755,706	\$ 98,338	\$ -	\$ -
Public Buildings and Grounds						
Salaries and Wages	1,375,000	1,368,911	1,368,910	-	1	-
Other Expenses	900,000	920,055	883,409	36,645	1	-
Recreation						
Salaries and Wages	635,000	740,089	740,088	-	1	-
Other Expenses	800,000	768,600	739,529	29,033	38	-
Uniform Construction Code:						
State Uniform Construction Code Officials:						
Salaries and Wages	1,160,756	1,166,167	1,166,167	-	-	-
Other Expenses	493,000	398,000	251,215	145,244	1,541	-
Department of Parks and Public Property:						
Sub-Code Officials:						
Electrical Inspector						
Salaries and Wages	39,000	39,000	38,250	-	750	-
Fire Inspector						
Salaries and Wages	230,000	223,433	223,433	-	-	-
Other Expenses	40,000	26,803	26,802	-	1	-
(A) Operations - Within "CAPS"						
Unclassified:						
Retirement Benefits	200,000	995,000	959,148	-	35,852	-
Gasoline	700,000	650,000	599,518	50,000	482	-
Telephone	350,000	335,000	312,797	21,267	936	-
Electricity	2,160,000	1,765,000	1,761,301	-	3,699	-
Water	508,000	425,000	424,230	-	770	-
Sewer	95,000	80,000	79,974	-	26	-
Total Operations within "CAPS"	93,460,098	93,739,390	90,400,170	2,236,363	1,102,857	-
Detail:						
Salaries and Wages	43,691,614	43,572,282	43,537,461	-	34,821	-
Other Expenses	49,768,484	50,167,108	46,862,709	2,236,363	1,068,036	-
Deferred Charges and Statutory Expenditures -						
Deferred Charges - Municipal Within "CAPS"						
Overexpenditures	4,504,944	4,504,944	4,504,944	-	-	-
Statutory Expenditures - Contributions to:						
PERS	1,858,335	1,853,908	1,853,907	-	1	-
Social Security System	2,500,000	2,394,787	2,394,786	-	1	-
Consolidated Police and Firemen Pension Fund	5,000	-	-	-	-	-
PFRS	7,134,640	7,134,640	7,134,640	-	-	-
Unemployment Insurance	152,000	152,000	-	152,000	-	-
Pension Adjustment	9,474	9,474	9,474	-	-	-
DCRP	280,000	309,863	309,863	-	-	-
Total Appropriations for Municipal Purposes within "CAPS"	109,904,491	110,099,006	106,607,784	2,388,363	1,102,859	-
Other Operations Excluded from "CAPS"						
Free Public Library	1,575,863	1,575,863	1,575,863	-	-	-
North Hudson Fire & Rescue	19,500,000	19,500,000	16,260,131	3,189,171	50,698	-
Health Insurance	2,585,772	2,585,772	2,585,772	-	-	-
Garbage & Trash Removal & Disposal	798,456	798,456	798,456	-	-	-
PFRS	282,488	282,488	282,488	-	-	-
PERS	6,981	6,981	6,981	-	-	-
Total Other Operations Excluded from "CAPS"	24,749,560	24,749,560	21,509,691	3,189,171	50,698	-

See Accompanying Notes to the Financial Statements.

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
Shared Service Agreements:						
Union City Board of Education						
Solid Waste Removal	\$ 522,906	\$ 522,906	\$ 522,906	\$ -	\$ -	\$ -
47th Street Pool	136,000	136,000	136,000	-	-	-
Recreation Center Lease	425,000	425,000	425,000	-	-	-
Snow Removal	100,000	100,000	-	-	-	100,000
Off Duty Police Officers	100,000	100,000	100,000	-	-	-
SLEO III Police Officers	1,531,400	1,531,400	727,388	-	-	804,012
Police Services	436,843	436,843	436,843	-	-	-
School Crossing Guards	2,429,444	3,229,929	3,034,968	-	194,961	-
Total Shared Service Agreements	5,681,593	6,482,078	5,383,105	-	194,961	904,012
Public and Private Programs Offset by Revenue:						
Matching Funds for Grants	161,501	-	-	-	-	-
Community Energy Plan Grant	25,000	25,000	25,000	-	-	-
COVID-19 Vaccination Supplemental Fun	50,000	50,000	50,000	-	-	-
Recycling Tonnage Grant	107,409	107,409	107,409	-	-	-
Bulletproof Vest	13,640	13,640	13,640	-	-	-
Pedestrian Safety Grant	35,000	35,000	35,000	-	-	-
Municipal Alliance on Alcoholism & Drug Abuse						
Grant Award	21,005	21,005	21,005	-	-	-
Local Match	-	5,251	5,251	-	-	-
Body Armor Replacement Fund	9,471	9,471	9,471	-	-	-
Distracted Driving Crackdown Grant	12,250	12,250	12,250	-	-	-
Enhancing Local Public Health Infrastruct	653,917	653,917	653,917	-	-	-
Prevention Coalition Drug-Free Communities						
Grant Award	125,000	125,000	125,000	-	-	-
Local Match	-	156,250	156,250	-	-	-
Dept of Community Affairs - 41st Street P	1,700,000	1,700,000	1,700,000	-	-	-
Youth Leadership Municipal Alliance	7,616	7,616	7,616	-	-	-
Electric Vehicle DC Fast Charger Commu	150,000	150,000	150,000	-	-	-
Clean Energy Electric Vehicle Tourism Gr	42,000	42,000	42,000	-	-	-
Green Acres - 4100 Palisade Acquisition	225,000	225,000	225,000	-	-	-
Drive Sober Year End Holiday Crackdownr	10,500	10,500	10,500	-	-	-
Drive Sober Get Pulled Over	8,750	8,750	8,750	-	-	-
National Opioid Settlement	346,324	346,324	346,324	-	-	-
NJDOT Municipal Aid Program 13,37th &	881,990	881,990	881,990	-	-	-
COPS Hiring Program	3,750,000	3,750,000	3,750,000	-	-	-
COPS Technology & Equipment	1,100,000	1,100,000	1,100,000	-	-	-
Click it or Ticket	-	14,000	14,000	-	-	-
Farmers Market	-	1,220	1,220	-	-	-
Strengthening Local Public Health	274,735	274,735	274,735	-	-	-
	<u>9,711,108</u>	<u>9,726,328</u>	<u>9,726,328</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations Excluded from "CAPS"	40,142,261	40,957,966	36,619,124	3,189,171	245,659	904,012
Other Operations Excluded from "CAPS"						
Detail:						
Salaries and Wages	8,247,687	9,048,172	8,049,199	-	194,961	804,012
Other Expenses	31,894,574	31,909,794	28,569,925	3,189,171	50,698	100,000
Capital Improvements Excluded from "CAPS":						
Capital Improvement Fund	3,469,225	3,469,225	3,469,225	-	-	-
Projects Funded by						
Additional Transitional Aid	5,670,000	5,670,000	5,670,000	-	-	-
	<u>9,139,225</u>	<u>9,139,225</u>	<u>9,139,225</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Accompanying Notes to the Financial Statements.

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
Municipal Debt Service Excluded from "CAPS":						
Payment of Bond Principal	\$ 4,850,000	\$ 4,850,000	\$ 4,850,000	\$ -	\$ -	\$ -
Bond Anticipation Notes	547,000	547,000	547,000	-	-	-
Interest on Bonds	1,982,955	1,982,955	1,982,955	-	-	-
Interest on Notes	546,315	546,315	546,313	-	-	2
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	226,425	226,425	226,417	-	-	8
Hudson County Improvement Authority:						
Capital Lease - Principal	1,348,036	1,348,036	1,317,323	30,713	-	-
Capital Lease - Interest	149,724	149,724	149,724	-	-	-
Capital Lease:						
Ambulance	134,359	134,359	134,359	-	-	-
Street Sweeper	54,216	54,216	54,216	-	-	-
Packer Lease	68,850	68,850	68,850	-	-	-
Parking Authority Debt	-	-	-	-	-	-
Leasing of Vehicles	162,322	162,322	162,322	-	-	-
	<u>10,160,999</u>	<u>10,160,999</u>	<u>10,130,276</u>	<u>30,713</u>	<u>-</u>	<u>10</u>
Deferred Charges - Municipal - Excluded from "CAPS":						
Special Emergency Authorization -						
5 Years (N.J.S.A. 40A:4-55)	477,905	477,905	477,905	-	-	-
Grant Reivable Write-Off	498,917	498,917	498,916	-	-	1
Other Emergencies	3,622,615	3,622,615	3,622,615	-	-	-
	<u>4,599,437</u>	<u>4,599,437</u>	<u>4,599,436</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"						
	<u>64,041,922</u>	<u>64,857,627</u>	<u>60,488,061</u>	<u>3,219,884</u>	<u>245,659</u>	<u>904,023</u>
Total General Appropriations Excluded from "CAPS"						
	<u>64,041,922</u>	<u>64,857,627</u>	<u>60,488,061</u>	<u>3,219,884</u>	<u>245,659</u>	<u>904,023</u>
Subtotal General Appropriations						
	173,946,413	174,956,633	167,095,845	5,608,247	1,348,518	904,023
Reserve for Uncollected Taxes						
	<u>1,169,107</u>	<u>1,169,107</u>	<u>1,169,107</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Appropriations						
	<u>\$ 175,115,520</u>	<u>\$ 176,125,740</u>	<u>\$ 168,264,952</u>	<u>\$ 5,608,247</u>	<u>\$ 1,348,518</u>	<u>\$ 904,023</u>
				A-22	A	
Adopted Budget						
	A-2	\$ 175,115,520	\$ 132,775,313	A-4	Cash Disbursements, Net of Refunds	
Added by NJSA 40A:4-87						
	A-2	15,220	1,169,107	A-2	Reserve for Uncollected Taxes	
Special Emergencies						
	A-23	<u>995,000</u>	6,832,955	A-10	Qualified Bonds Paid by State	
		176,125,740	18,865,553	A-11	Due to Other Funds	
Add: Overexpended to Deferred Charge						
	A-23	-	9,104,380	A-23	Deferred Charges	
Less: Cancelled						
		<u>904,023</u>	<u>(482,356)</u>	A-14	Budget Reimbursements	
	A-1	<u>\$ 175,221,717</u>	<u>\$ 168,264,952</u>			

CITY OF UNION CITY

REPORT OF AUDIT

**FINANCIAL SECTION:
TRUST FUND FINANCIAL STATEMENTS**

**CITY OF UNION CITY
TRUST FUNDS
JUNE 30, 2023 AND 2022**

EXHIBIT B

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Animal Control Trust Fund			
Cash and Cash Equivalents	B-1	\$ 10,142	\$ 9,152
Due from Current Fund	B-4	-	27
		<u>10,142</u>	<u>9,179</u>
Other Trust Fund			
Cash and Cash Equivalents	B-5	11,415,322	14,759,000
Account Receivables	B-6	390,942	407,067
Due from Current Fund	B-7	-	69,510
		<u>11,806,264</u>	<u>15,235,577</u>
Community Development Agency Fund			
Cash and Cash Equivalents	B-10	6,122	10,275
Due from HUD Community Development Block Grant	B-11	1,270,899	1,927,225
		<u>1,277,021</u>	<u>1,937,500</u>
Public Defender Trust Fund			
Cash and Cash Equivalents	B-15	-	1,800
Total Assets		<u>\$ 13,093,427</u>	<u>\$ 17,184,056</u>
<u>Liabilities and Reserves</u>			
Animal Control Trust Fund			
Due to the State of New Jersey	B-2	\$ -	\$ 864
Reserve for Animal Control Trust Fund Expenditures	B-3	10,142	8,315
		<u>10,142</u>	<u>9,179</u>
Other Trust Fund			
Reserve for Other Trust Fund Activity	B-8	11,511,720	13,901,308
Reserve for Encumbrances Payable	B-9	294,544	1,334,269
		<u>11,806,264</u>	<u>15,235,577</u>
Community Development Agency Fund			
Reserve for Community Development Block Grant	B-13	1,011,620	1,754,443
Reserve for Encumbrances	B-13	265,401	37,022
Due to Current Fund	B-14	-	146,035
		<u>1,277,021</u>	<u>1,937,500</u>
Public Defender Trust Fund			
Reserve for Public Defender Trust Expenditures	B-16	-	1,800
Total Liabilities and Reserves		<u>\$ 13,093,427</u>	<u>\$ 17,184,056</u>

See Accompanying Notes to the Financial Statements.

CITY OF UNION CITY

REPORT OF AUDIT

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

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2, C-3	\$ 11,691,949	\$ 13,209,703
Deferred Charges to Future Taxation:			
Funded	C-4	67,789,440	74,211,465
Unfunded	C-5	<u>28,919,577</u>	<u>29,691,864</u>
Total Assets		<u>\$ 108,400,966</u>	<u>\$ 117,113,032</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Liabilities and Reserves:			
Capital Improvement Fund	C-14	\$ 1,532,811	\$ 3,101,464
Improvement Authorizations:			
Funded	C-7	6,371,296	3,176,183
Unfunded	C-7	5,215,375	6,924,316
Encumbrances Payable	C-8	4,552,110	5,786,423
General Serial Bonds	C-9	64,420,000	69,270,000
Capital Lease Payable	C-13	1,181,923	1,330,959
Capital Lease Payable - HCIA	C-10	1,451,732	2,799,768
Green Acres Loans Payable	C-11	735,785	810,738
Bond Anticipation Notes	C-12	22,793,000	23,340,000
Reserve for Retirement of Debt Service	C-15	<u>29,007</u>	<u>185,705</u>
Total Liabilities and Reserves		<u>108,283,039</u>	<u>116,725,556</u>
Fund Balance	C-1	<u>117,927</u>	<u>387,476</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 108,400,966</u>	<u>\$ 117,113,032</u>
Bonds and Notes Authorized But Not Issued	C-16	<u>\$ 6,126,577</u>	<u>\$ 6,351,864</u>

See Accompanying Notes to the Financial Statements.

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS

		<u>2023</u>	<u>2022</u>
Balance, June 30, 2022	<u>Ref.</u> C	\$ 387,476	\$ 1,423,110
Increased by:			
Premium on HCIA Note Sales	C-2	<u>162,451</u>	<u>164,366</u>
		549,927	1,587,476
Decreased by:			
Anticipated as Revenue in Current Budget	C-6	<u>432,000</u>	<u>1,200,000</u>
Balance, June 30, 2023	C	<u>\$ 117,927</u>	<u>\$ 387,476</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
JUNE 30, 2023 AND 2022**

EXHIBIT D

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Land		\$ 20,351,200	\$ 20,351,200
Buildings and Improvements		51,324,409	50,932,213
Machinery, Equipment and Other		<u>16,109,446</u>	<u>15,317,057</u>
Total Assets	D-1	<u>\$ 87,785,055</u>	<u>\$ 86,600,470</u>
<u>Reserves</u>			
Investment in General Fixed Assets		<u>\$ 87,785,055</u>	<u>\$ 86,600,470</u>
Total Reserves	D-2	<u>\$ 87,785,055</u>	<u>\$ 86,600,470</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 FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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.

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.

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.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 June 30, 2023, and 2022, 79% and 87%, 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.

	2023	2022
FDIC Insured Deposits	\$ 500,000	\$ 500,000
GUDPA Insured Deposits	30,781,496	41,872,103
Government Investment Pools		
Maturities less than One Year		
NJ Asset & Rebate Management Program	952,929	918,366
NJ Cash Management Fund	503,805	486,046
Total Investments and Deposits	\$ 32,738,230	\$ 43,776,515

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect deposits and deposits. None of the City’s deposits and investments as of June 30, 2023 and 2022 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.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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

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.

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 at June 30, 2023 and 2022 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 June 30, 2023 and 2022, the City has a balance of \$952,929 and \$918,366, 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.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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

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 June 30, 2023 and 2022, the City had a balance of \$503,805 and \$486,046, respectively, in the New Jersey Cash Management Fund.

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 in the years ended June 30, 2023 and 2022. The true tax collection rate, including the proceeds of the accelerated tax sales for the years ended June 30, 2023 and 2022 was 99.98% and 99.04%, respectively. The underlying tax collection rate for the years ended June 30, 2023 and 2022 was 99.30% and 98.55%, respectively.

During fiscal year ended June 30, 2023 the City collected \$4,522 from delinquent taxes which represented 13.27% of the delinquent balances at June 30, 2022. For the fiscal year ended June 30, 2022, the City collected \$24,984 from delinquent taxes which represented 114% of the delinquent balances at June 30, 2021.

Taxes collected in advance are recorded as cash liabilities in the financial statements. As of June 30, 2023 and 2022, the City's prepaid taxes were \$146,707 and \$214,904, 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.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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:

	<u>2023</u>	<u>2022</u>
Issued:		
General Bonds	\$ 64,420,000	\$ 69,270,000
HCIA Lease	1,451,732	2,799,768
Green Acres	735,785	810,738
Capital Leases	1,181,923	1,330,959
BANS	<u>22,793,000</u>	<u>23,340,000</u>
Bonds, notes and loans	90,582,440	97,551,465
Authorized by not Issued:		
Bonds and notes	<u>6,126,577</u>	<u>6,351,864</u>
Total Issued and Authorized but not Issued	<u>\$ 96,709,017</u>	<u>\$ 103,903,329</u>

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

	<u>2023</u>	<u>2022</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%	\$ 9,510,000	\$ 9,825,000
\$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%	6,445,000	7,150,000
\$18,805,000 Refunding Bonds of 2018 due in annual installments of \$340,000 to \$3,875,000 through November 2023, bearing interest at 4% - 5%	3,875,000	7,705,000
\$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%	37,845,000	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%	6,745,000	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	1,120,575

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 4. MUNICIPAL DEBT (continued)

Continuation of bonds, notes and loans issued and outstanding:

	<u>2023</u>	<u>2022</u>
\$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	\$ 469,974
\$5,071,020 HCIA Capital Leases of 2011 due in annual installments of \$97,005 to \$449,903 through March 2024, bearing interest at 5.3% - 8.0%	625,516	1,209,219
\$800,000 Green Trust Loan of 2011 due in annual installments of \$33,915 to \$48,525 through March 2031, bearing interest at 2%	344,872	387,086
\$70,000 Green Trust Loan of 2011 due in annual installments of \$2,968 to \$4,246 through March 2031, bearing interest at 2%	30,176	33,869
\$590,143 Green Trust Loan of 2014 due in annual installments of \$12,447 to \$36,155 through February 2034, bearing interest at 2%	360,737	389,783
\$248,357 Capital Lease of 2021 due in annual installments of \$46,787 to \$52,642 through November 2026, bearing interest at 2.99%	201,570	248,357
\$433,085 Capital Lease of 2020	177,952	261,901
\$289,970 Capital Lease of 2019 due in annual installments of \$53,878 to \$62,262 through July 2024, bearing interest at 3.68%	122,313	180,231
\$319,776 Capital Lease of 2021 due in annual installments of \$60,243 to \$67,778 through November 2026, bearing interest at 2.99%	259,533	319,776
\$192,142 Capital Lease of 2019 due in annual installments of \$61,733 to \$66,390 through July 2022, bearing interest at 3.70%	-	66,390
\$274,933 Capital Lease of 2021 due in annual installments of \$51,706 to \$57,816 through April 2026, bearing various interest rates	167,187	218,893
\$35,411 Capital Lease of 2022 due in annual installments of \$6,507 to \$7,630 through September 2026, bearing various interest rates	28,234	35,411
\$225,134 Capital Lease of 2022 due in annual installments of \$41,009 to \$49,738 through August 1, 2027, bearing various interest rates	225,134	
Bond Anticipation Notes issued FY20 and FY21 and due FY21 and FY22, bearing interest at 1.5% - 2.5%	<u>22,793,000</u>	<u>23,340,000</u>
Total Debt Issued and Outstanding	<u>\$ 90,584,463</u>	<u>\$ 97,553,487</u>

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 4. MUNICIPAL DEBT (continued)

The changes in debt for the years ended June 30, 2023 and 2022 are as follows:

	Balance June 30, 2022	Issued	Cancelled	Paid	Balance June 30, 2023
Short-Term:					
Bond Anticipation Notes	\$ 23,340,000	\$ -	\$ -	\$ 547,000	\$ 22,793,000
Long-Term:					
General Bonds and Notes	69,270,000	-	-	4,850,000	64,420,000
Capital Leases	4,130,727	225,134	-	1,722,206	2,633,655
Green Acres Loans	810,738	-	-	74,953	735,785
Authorized but Not Issued	6,351,864	-	225,287	-	6,126,577
Total	\$ 103,903,329	\$ 225,134	\$ 225,287	\$ 7,194,159	\$ 96,709,017

	Balance June 30, 2021	Issued	Cancelled	Paid	Balance June 30, 2022
Short-Term:					
Bond Anticipation Notes	\$ 13,596,000	\$ 10,000,000	\$ -	\$ 256,000	\$ 23,340,000
Long-Term:					
General Bonds and Notes	73,885,000	-	-	4,615,000	69,270,000
Capital Leases	4,934,857	878,477	-	1,682,607	4,130,727
Green Acres Loans	884,218	-	-	73,480	810,738
Authorized but Not Issued	16,351,864	(10,000,000)	-	-	6,351,864
Total	\$ 109,651,939	\$ 878,477	\$ -	\$ 6,627,087	\$ 103,903,329

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 June 30, 2023 is as follows:

Year Ending December 31,	General Bonds		Capital Leases		Green Acres Trust Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2023*	\$ 4,600,000	\$ 258,763	\$ 923,362	\$ 60,622	\$ 38,041	\$ 7,358	\$ 5,888,146
2024	4,830,000	1,655,202	1,195,367	76,985	77,224	13,571	7,848,349
2025	5,025,000	1,534,655	232,142	20,224	78,779	12,018	6,902,818
2026	5,210,000	1,406,015	233,046	11,464	80,362	10,435	6,951,322
2027	5,405,000	1,269,475	49,738	2,696	81,976	8,820	6,817,705
2028-2032	30,510,000	3,912,724	-	-	325,440	20,344	34,768,508
2033-2034	8,840,000	186,319	-	-	53,963	1,083	9,081,365
	\$ 64,420,000	\$ 10,223,153	\$ 2,633,655	\$ 171,991	\$ 735,785	\$ 73,628	\$ 78,258,212

* Six Month Transition Year: July 1, 2023 through December 31, 2023

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 June 30, 2023 and 2022, \$9,250,000 and \$9,725,000, 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.

**CITY OF UNION CITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 4. MUNICIPAL DEBT (continued)

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

At June 30, 2023 the equalized valuation basis of the City was \$4,363,598,116. 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 1.736%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ -	\$ -	\$ -
General Debt	<u>103,325,362</u>	<u>18,789,007</u>	<u>84,536,355</u>
	<u>\$ 103,325,362</u>	<u>\$ 18,789,007</u>	<u>\$ 84,536,355</u>

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

3-1/2% of Equalized Valuation Basis	\$ 170,387,991
Net Debt	<u>84,536,355</u>
Remaining Borrowing Power	<u>\$ 85,851,636</u>

At June 30, 2022 the equalized valuation basis of the City was \$4,581,513,915. 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 1.963%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ -	\$ -	\$ -
General Debt	<u>109,497,602</u>	<u>19,550,000</u>	<u>89,947,602</u>
	<u>\$ 109,497,602</u>	<u>\$ 19,550,000</u>	<u>\$ 89,947,602</u>

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

3-1/2% of Equalized Valuation Basis	\$ 160,352,987
Net Debt	<u>89,947,602</u>
Remaining Borrowing Power	<u>\$ 70,405,385</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 June 30, 2023 and 2022 appropriated and included as anticipated revenue in the succeeding year's budget were as follows:

<u>Year</u>	<u>Fund Balance June 30,</u>	<u>Utilized in Budget of Succeeding Year</u>
2021	\$ 4,209,405	\$ 467,457
2022	6,471,744	3,000,000

* Succeeding year budget is a 6 month Transition Year beginning July 1, 2023 and ending December 31, 2023.

**CITY OF UNION CITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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).

STATE-MANAGED PENSION PLANS – PERS

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:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to 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, 2022 and 2021 are based on the ratio of each employer’s contributions to total employer contributions of the group for the fiscal years ended June 30, 2022 and 2021. At June 30, 2022 and 2021, 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	
2022	0.14268%	-0.00480%	\$ 21,532,456
2021	0.14748%	-0.00118%	\$ 17,471,377

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 6. RETIREMENT SYSTEMS (continued)

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –

The following presents the City’s proportionate share of the net pension liability of the as of June 30, 2022 and 2021, 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:

	2022		2021	
	Rate	Amount	Rate	Amount
1% Decrease	6.00%	\$ 27,662,899	6.00%	\$ 23,792,473
Current Discount Rate	7.00%	21,532,456	7.00%	17,471,377
1% Increase	8.00%	16,315,203	8.00%	12,107,032

Actuarial Assumptions - The total pension liability for the June 30, 2022 and June 30, 2021 measurement dates were determined by actuarial valuations as of July 1, 2021 and 2020, respectively, which were rolled forward to June 30, 2022 and 2021, respectively. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

Measurement Date of	Inflation Rate		Salary Increases		Investment Rate of Return
	Price	Wage	Based on Years of Service Through 2026	Thereafter	
June 30, 2022	2.75%	3.25%	2.75-6.55%	3.00-7.00%	7.00%
June 30, 2021	2.75%	3.25%	2.00-6.00%	3.00-7.00%	7.00%

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, 2021 valuation was based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 valuation was based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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, 2022 and June 30, 2021) 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, 2022 and 2021 are summarized in the table on the following page:

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 6. RETIREMENT SYSTEMS (continued)

Asset Class	June 30, 2022		June 30, 2021	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.38%	13.50%	8.71%
Emerging Markets Equity	5.50%	10.33%	5.50%	10.96%
Private Equity	13.00%	11.80%	13.00%	11.30%
Real Estate	8.00%	11.19%	8.00%	9.15%
Real Assets	3.00%	7.60%	3.00%	7.40%
High Yield	4.00%	4.95%	2.00%	3.75%
Private Credit	8.00%	8.10%	8.00%	7.60%
Investment Grade Credit	7.00%	3.38%	8.00%	1.68%
Cash Equivalents	4.00%	1.75%	4.00%	0.50%
U.S. Treasuries	4.00%	1.75%	5.00%	0.95%
Risk Mitigation Strategies	3.00%	4.91%	3.00%	3.35%

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, 2022 and 2021:

	June 30, 2022			June 30, 2021		
	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	\$ 66,714	\$ 3,224,261	\$ (3,157,547)	\$ 90,991	\$ 6,219,923	\$ (6,128,932)
Difference Between Expected and Actual Experience	155,411	137,051	18,360	275,546	125,074	150,472
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	891,209	-	891,209	-	4,602,420	(4,602,420)
Changes in Proportion	37,926	1,506,868	(1,468,942)	170,024	1,111,197	(941,173)
	<u>\$ 1,151,260</u>	<u>\$ 4,868,180</u>	<u>\$ (3,716,920)</u>	<u>\$ 536,561</u>	<u>\$ 12,058,614</u>	<u>\$ (11,522,053)</u>

Amounts reported at June 30, 2022 and 2021 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, 2022		As at June 30, 2021	
Year Ended June 30,		Year Ended June 30,	
2023	\$ (2,079,002)	2022	\$ (4,489,180)
2024	(1,059,182)	2023	(3,205,264)
2025	(516,542)	2024	(2,185,443)
2026	1,126,900	2025	(1,642,804)
2027	(2,475)	2026	639
	<u>\$ (3,716,920)</u>		<u>\$ (11,522,053)</u>

**CITY OF UNION CITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 6. RETIREMENT SYSTEMS (continued)

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 June 30,	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
2023	\$ 12,427,377	\$ 1,860,888	14.97%	\$ 932,055	7.50%
2022	\$ 11,477,619	\$ 1,795,493	15.64%	\$ 862,956	7.50%
2021	\$ 10,202,450	\$ 1,693,538	16.60%	\$ 765,186	7.50%

STATE-MANAGED PENSION PLANS – PFRS

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.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 6. RETIREMENT SYSTEMS (continued)

The allocation percentages for each group of the plan as of June 30, 2022 and 2021 are based on the ratio of each employer’s contributions to total employer contributions of the group for the fiscal years ended June 30, 2022 and 2021.

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. At June 30, 2022 and 2021, 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.	Total
	Proportionate Share			On-Behalf	
	Rate	Change		of City	
2022	0.54762%	-0.01753%	\$ 62,682,244	\$ 11,155,602	\$ 73,837,846
2021	0.56515%	0.00577%	\$ 41,307,638	\$ 11,617,765	\$ 52,925,403

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, 2022 and 2021, 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:

	2022		2021	
	Rate	Amount	Rate	Amount
1% Decrease	6.00%	\$ 86,006,808	6.00%	\$ 62,724,356
Current Discount Rate	7.00%	62,682,244	7.00%	41,307,638
1% Increase	8.00%	43,264,431	8.00%	23,480,533

Actuarial Assumptions - The total pension liability for the June 30, 2022 and June 30, 2021 measurement dates were determined by actuarial valuations as of July 1, 2021 and 2020, respectively, which were rolled forward to June 30, 2022 and 2021, respectively. These actuarial valuations used the following actuarial assumptions:

Measurement Date of	Inflation Rate		Salary Increases	Investment
	Price	Wage	Based on Years of Service	Rate of
			All Future Years	Return
June 30, 2022	2.75%	3.25%	3.25-16.25%	7.00%
June 30, 2021	2.75%	3.25%	3.25-15.25%	7.00%

Mortality – For the June 30, 2022 and 2021 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 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2021 and July 1, 2020 valuations were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021 and July 1, 2013 to June 30, 2018, respectively.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 6. RETIREMENT SYSTEMS (continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on these assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2022 and June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS target asset allocations as of June 30, 2022 and 2021 are summarized in the following table:

Asset Class	June 30, 2022		June 30, 2021	
	Target Allocation	Long-Term Expected	Target Allocation	Long-Term Expected
		Real Rate of Return		Real Rate of Return
U.S. Equity	27.00%	8.12%	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.38%	13.50%	8.71%
Emerging Markets Equity	5.50%	10.33%	5.50%	10.96%
Private Equity	13.00%	11.80%	13.00%	11.30%
Real Estate	8.00%	11.19%	8.00%	9.15%
Real Assets	3.00%	7.60%	3.00%	7.40%
High Yield	4.00%	4.95%	2.00%	3.75%
Private Credit	8.00%	8.10%	8.00%	7.60%
Investment Grade Credit	7.00%	3.38%	8.00%	1.68%
Cash Equivalents	4.00%	1.75%	4.00%	0.50%
U.S. Treasuries	4.00%	1.75%	5.00%	0.95%
Risk Mitigation Strategies	3.00%	4.91%	3.00%	3.35%

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, 2022 and 2021:

	June 30, 2022			June 30, 2021		
	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	\$ 171,787	\$ 7,890,456	\$ (7,718,669)	\$ 219,802	\$ 12,379,710	\$ (12,159,908)
Difference Between Expected and Actual Experience	2,837,166	3,840,140	(1,002,974)	471,270	4,948,228	(4,476,958)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,739,852	-	5,739,852	-	17,602,528	(17,602,528)
Changes in Proportion	2,136,049	2,312,741	(176,692)	3,463,493	526,070	2,937,423
	<u>\$ 10,884,854</u>	<u>\$ 14,043,337</u>	<u>\$ (3,158,483)</u>	<u>\$ 4,154,565</u>	<u>\$ 35,456,536</u>	<u>\$ (31,301,971)</u>

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 6. RETIREMENT SYSTEMS (continued)

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,	
2023	\$ (2,957,909)	2022	\$ (10,020,955)
2024	(1,890,288)	2023	(7,522,165)
2025	(1,800,708)	2024	(6,454,544)
2026	3,761,401	2025	(6,364,965)
2027	36,249	2026	(802,856)
Thereafter	38,002	Thereafter	(136,486)
	<u>\$ (3,158,483)</u>		<u>\$ (31,301,971)</u>

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 June 30,	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
2023	\$ 19,987,255	\$ 7,417,128	37.11%	\$ 1,998,725	10.00%
2022	\$ 20,036,228	\$ 6,893,372	34.40%	\$ 2,004,373	10.00%
2021	\$ 19,605,247	\$ 6,589,173	33.61%	\$ 1,960,525	10.00%

PFRS AND PERS – REGULATORY BASIS DISCLOSURE

N.J.A.C. 5:30-6.1 allows municipalities to include in their annual audits the most recent available audited GASB 68 financial information published by the New Jersey Division of Pension and Benefits. The information utilized for disclosure in this report of audit was dated June 30, 2023 and June 30, 2022.

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 years ended June 30, 2023 and 2022, inclusive of principal and interest, were \$361,117 and \$375,298, respectively. The payment due for the pension deferral, inclusive of principal and interest, in the year ended June 30, 2024 is \$366,097.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 6. RETIREMENT SYSTEMS (continued)

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.

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.

**CITY OF UNION CITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (continued)

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:

	2022	2020	2018
Active employees	319	346	315
Retirees	422	388	403
	741	734	718

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 June 30, 2023 and 2022, 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 years ended June 30, 2023, 2022 and 2021 the City contributed \$14,326,866, \$13,208,000, and \$12,757,000, 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 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 Total OPEB Liability as of June 30, 2022, based on a discount rate of 3.55% and the Entry Age Normal cost method, is \$368,747,306, which includes liabilities for retirees and actives as detailed below. The components of the net OPEB liability of the City at June 30, 2022 and 2021 were as follows:

	2023	2022
Retiree OPEB Liability	\$ 263,106,333	\$ 268,049,225
Active Employee OPEB Liability	112,778,916	100,698,081
Total OPEB liability	375,885,249	368,747,306
OPEB Plan fiduciary net position	-	-
Net OPEB liability	\$ 375,885,249	\$ 368,747,306
Plan Fiduciary Net Position as a Percentage of total OPEB liability	0.00%	0.00%

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the City’s net OPEB liability as of June 30, 2023 and 2022, respectively, 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 rates of 3.55%, each year:

	2023		2022	
1% Decrease	2.55%	\$ 441,611,063	2.55%	\$ 433,489,109
Current Discount Rate	3.55%	375,885,249	3.55%	368,747,306
1% Increase	4.55%	324,291,267	4.55%	317,978,149

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 June 30, 2022 and 2021, respectively, 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:

	2023	2022
1% Decrease	\$ 318,040,726	\$ 315,090,326
Current Healthcare Cost Trend Rate	375,885,249	368,747,306
1% Increase	450,997,774	438,101,600

Actuarial Assumptions - The total OPEB liability as of June 30, 2023 was based on the valuation results as of June 30, 2022 and rolled forward to the June 30, 2023 measurement date. total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2022. The following actuarial assumptions applied to all periods in the measurements:

	2023	2022
Actuarial cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Salary increase	4% per year	4% per year
Discount rate	3.55%	3.55%
Healthcare cost trend rates		
Pre-65		
Year 1 trend	5.30%	5.30%
Ultimate trend	Decreasing 0.15% to 0.30% per year to an ultimate rate of 4.50% for 2026 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		
Year 1 trend	4.50%	4.50%
Ultimate trend	4.50%	4.50%
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 June 30, 2023 and 2022 was as follows:

	2023	2022
Employer service cost	\$ 8,332,768	\$ 11,847,567
Recognition of changes in TOL due to assumption changes and actuarial experience	(13,969,196)	(13,969,196)
Interest cost	13,132,041	9,324,640
OPEB expense	<u>\$ 7,495,613</u>	<u>\$ 7,203,011</u>

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (continued)

The OPEB deferred outflows and deferred inflows of resources at June 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
<u>Deferred Inflows of Resources:</u>		
Differences between expected and actual demographic experience	\$ (2,756,469)	\$ (5,512,937)
Changes of assumptions	(49,344,904)	(65,988,847)
<u>Deferred Outflows of Resources</u>		
Differences between expected and actual demographic experience	7,564,542	10,086,056
Changes of assumptions	<u>2,909,699</u>	<u>5,819,400</u>
	<u>\$ (41,627,132)</u>	<u>\$ (55,596,328)</u>

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

<u>As at June 30, 2023</u>		<u>As at June 30, 2022</u>	
<u>June 30,</u>		<u>June 30,</u>	
2024	(13,969,199)	2023	\$ (13,969,196)
2025	(14,122,429)	2024	(13,969,199)
2026	(13,535,504)	2025	(14,122,429)
2027	-	2026	(13,535,504)
2028	-	2027	-
Thereafter	-	Thereafter	-
	<u>\$ (41,627,132)</u>		<u>\$ (55,596,328)</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 June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Total OPEB liability - beginning of year	\$ 368,747,306	\$ 428,460,615
Service Cost	8,332,768	11,847,567
Interest Cost	13,132,041	9,324,640
Contributions made	(14,326,866)	(13,208,000)
Actuarial assumption changes	-	(80,285,086)
Actuarial demographic (gain) or loss	-	12,607,570
Total OPEB liability - end of year	<u>\$ 375,885,249</u>	<u>\$ 368,747,306</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>
Net OPEB liability - end of year	<u>\$ 375,885,249</u>	<u>\$ 368,747,306</u>
Funded ratio	<u>0.00%</u>	<u>0.00%</u>
Covered payroll	\$ 32,414,632	\$ 31,513,847
Net OPEB liability as a percentage of covered payroll	1160%	1170%

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (continued)

Participation in State Health Benefits Plan – Special Funding Situation

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 Borough 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 Borough 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, 2022 and 2021 associated with the City is \$33,656,011 and \$38,497,120, respectively, which represents 164 plan members, each year, constituting 0.997567% and 0.996984%, respectively, of the State’s total proportionate share of the net OPEB liability.

Regulatory Basis Disclosure – N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2023 was not available insofar as it related to the State Plan and the Special Funding Situation, therefore the information dated June 30, 2022 is disclosed.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

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 June 30, 2022 and 2021. As of June 30, 2023, and 2022 the total accumulated compensated absence liability was \$7,283,609 and \$11,793,577, 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 June 30, 2023 and 2022, the City estimated \$4,352,865 and \$3,684,780, respectively, 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 June 30, 2023 and 2022.

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. CLEARING ACCOUNT

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

NOTE 11. 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 years ended June 30, 2023 and 2022:

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 11. FIXED ASSETS (continued)

	Balance				Balance
	June 30, 2022	Additions	Reclass	Deletions	June 30, 2023
Land	\$ 20,351,200	\$ -	\$ -	\$ -	\$ 20,351,200
Buildings & Improvements	50,932,213	392,196	-	-	51,324,409
Machinery & Equipment	15,317,057	792,389	-	-	16,109,446
	<u>\$ 86,600,470</u>	<u>\$ 1,184,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,785,055</u>

	Balance				Balance
	June 30, 2021	Additions	Reclass	Deletions	June 30, 2022
Land	\$ 11,228,600	\$ -	\$ 9,122,600	\$ -	\$ 20,351,200
Buildings & Improvements	61,446,099	1,810,830	(9,122,600)	3,202,116	50,932,213
Machinery & Equipment	14,370,447	2,774,310	-	1,827,700	15,317,057
	<u>\$ 87,045,146</u>	<u>\$ 4,585,140</u>	<u>\$ -</u>	<u>\$ 5,029,816</u>	<u>\$ 86,600,470</u>

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 June 30, 2023 and 2022, deferred charges shown on the balance sheets of the Current Fund are as follows:

	Balance	Results of	Reclass	Budget	Balance	Transition Year	Balance to
	June 30, 2022	Current Year		Appropriations	June 30, 2023	2023 Budget	Succeeding
						Appropriation	Budgets
Overexpenditures - Current Fund	\$ 4,504,944	\$ 1,458,476		\$ 4,504,944	\$ 1,458,476	\$ -	\$ 1,458,476
Cancelled Grants Receivable	498,916	-		498,916	-	-	-
COVID-19 Revenue Loss	1,380,800	-		345,300	1,035,500	-	1,035,500
Emergency Authorizations	8,010,000	-	(400)	2,306,000	5,703,600	-	5,703,600
Special Emergency Authorizations (40A:4-53)							
Tax Map	124,000	-	(7,300)	38,900	77,800	-	77,800
Revaluation	1,000,000	-		200,000	800,000		
Retirement Benefits	3,388,996	995,000	7,700	1,210,320	3,181,376	1,210,000	1,971,376
	<u>\$ 18,907,656</u>	<u>\$ 2,453,476</u>	<u>\$ -</u>	<u>\$ 9,104,380</u>	<u>\$ 12,256,752</u>	<u>\$ 1,210,000</u>	<u>\$ 10,246,752</u>

	Balance	Results of	Reclass	Budget	Balance	2023 Budget	Balance to
	June 30, 2021	Current Year		Appropriations	June 30, 2022	Appropriation	Succeeding
						As Introduced	Budgets
Overexpenditures - Current Fund	\$ 2,901,704	\$ 4,504,944	-	\$ 2,901,704	\$ 4,504,944	\$ 4,504,944	\$ -
Cancelled Grants Receivable	997,836	-	-	498,920	498,916	498,916	-
COVID-19 Revenue Loss	1,726,000	-	-	345,200	1,380,800	345,200	1,035,600
Emergency Authorizations	10,315,400	-		2,305,400	8,010,000	2,305,400	5,704,600
Special Emergency Authorizations (40A:4-53)							
Tax Map	155,600	-		31,600	124,000	38,900	85,100
Revaluation	-	1,000,000		-	1,000,000		
Retirement Benefits	3,140,091	1,292,597	-	1,043,692	3,388,996	1,123,398	2,265,598
	<u>\$ 19,236,631</u>	<u>\$ 6,797,541</u>	<u>\$ -</u>	<u>\$ 7,126,516</u>	<u>\$ 18,907,656</u>	<u>\$ 8,816,758</u>	<u>\$ 9,090,898</u>

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 13. INTERFUND TRANSACTIONS

Interfunds receivable remained on the balance sheets of the fund financial statements at June 30, 2023 and 2022. The interfund balances are between the Current Fund and the Federal and State Grant Fund, CDA Trust, Other Trust and Animal Control Trust. 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 June 30, 2023, total interfunds of \$11,864 are due to the Current Fund. As of June 30, 2022, total interfunds of \$154,925 were due to the Current Fund and total interfunds of \$69,537 are due from the Current Fund to other funds. The City liquidated all other interfund balances by June 30, 2023 and 2022.

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 June 30, 2023 and 2022 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 years ended June 30, 2023 and 2022, no amounts were required to be budgeted.

No additional Board bonds or notes were authorized or issued during the years ended June 30, 2023 and 2022.

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 years ended June 30, 2023 and 2022, the City received \$6,243,801 and \$5,062,662, respectively, for such reimbursements. As of June 30, 2023 and 2022, the City has receivables from the Board of \$87,020 and \$1,553,240, respectively, for prior year accrued budget revenues. As described in Note 1, the Board is considered a component unit of the City.

NOTE 15. ECONOMIC DEPENDENCY

The City is a recipient of State Aid. During the years ended June 30, 2023 and 2022, State Aid accounted for 34% and 30%, 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 years ended June 30, 2023 and 2022, the City received \$38,170,500,000 and \$26,500,000, respectively, in various forms of Transitional Aid from the State of New Jersey. \$5,000,000 and \$-0-, respectively, is receivable from the State as of June 30, 2023 and 2022.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 16. 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 years ended June 30, 2023 and 2022 the City collected \$486,367 and \$519,649, respectively, in PILOT agreements, and abated property taxes of approximately \$2,094,133 and \$2,000,000, respectively, in accordance with the terms of the individual abatement agreements.

NOTE 17. 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.

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 fiscal year June 30, 2022 and 2021 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 June 30, 2023 and 2022, 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.

**CITY OF UNION CITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 17. CONTINGENT LIABILITIES (continued)

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 years ended June 30, 2023 and 2022, 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 for the fiscal years ended June 30, 2023 and 2022. The NHSA estimates that no amounts will be due from the City for Transition Year Ending December 31, 2023.

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 years ended June 30, 2022 and 2021, the City contributed \$19,449,302 and \$19,422,141, 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 years ended June 30, 2022 and 2021 the City was not required to contribute any amount above its percentage share of debt service for the capital debt.

**CITY OF UNION CITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 17. CONTINGENT LIABILITIES (continued)

As of December 31, 2022 and 2021 the NHRFR had the following capital debt outstanding:

	December 31, 2022	December 31, 2021
Capital Lease Payable	\$ 1,870,000	\$ 3,615,000
Revenue Lease Payable	4,755,000	6,910,000
Loan Payable	1,273,431	1,838,895
	<u>\$ 7,898,431</u>	<u>\$ 12,363,895</u>

NOTE 18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 28, 2023, the date which the financial statements were available to be issued. The following material subsequent events have been noted:

On September 6, 2023, the City adopted an ordinance appropriating \$3,300,000 for the acquisition of real property within the City for the purpose of providing 24 units of affordable housing and other City usage. The City authorized bonds and notes of \$3,300,000 to finance the acquisition.

On November 8, 2023, the City adopted an ordinance appropriating \$7,000,000 in funding from the State Transitional Aid Program for the acquisition of certain capital equipment and the completion of various capital improvements

On December 19, 2023, the City adopted a \$779,411 special emergency appropriation for the payment of contractually required severance liabilities in and for the City.

The City sold notes through the HCIA pooled note financing program, Series 2023 B-1, dated July 25, 2023, in the amount of \$7,038,000 at an interest rate of 5.00%, and Series 2023 B-2 emergency notes, also dated July 25, 2023, in the amount of \$1,210,000 at an interest rate of 6.25%. The 2023 B-1 and B-2 notes mature July 24, 2024. The notes were issued to roll over the remaining portion of the HCIA Series 2022 B-1 and 2022 B-2 notes.

Change in Fiscal Year

On July 25, 2023, the City adopted an ordinance authorizing a change in its fiscal year from one operating July 1 to June 30, annually, to one operating from January 1 to December 31, annually. The City will revert to a calendar fiscal year beginning January 1, 2024. In order to transition the reversion, a six month “transition year” is required covering the period July 1, 2023 through December 31, 2023. The City has adopted the transition year budget and will receive a statutory audit for this transition year.

CITY OF UNION CITY

REPORT OF AUDIT

STATISTICAL SECTION

(unaudited)

**CITY OF UNION CITY
 ROSTER OF OFFICIALS IN OFFICE ON JUNE 30, 2023
 JULY 1, 2022 THROUGH JUNE 30, 2023**

<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.	May 14, 2025	\$ 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.

**CITY OF UNION CITY
 STATISTICAL SECTION (UNAUDITED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

Table 1

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

	June 30, 2023		June 30, 2022	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized:				
Miscellaneous Revenue Anticipated	\$ 89,907,770	42.49%	\$ 80,769,266	40.41%
Receipts from Delinquent Taxes	4,522	0.00%	24,984	0.01%
Receipts from Current Taxes	120,297,094	56.85%	114,811,339	57.44%
Non-Budget Revenues	721,901	0.34%	444,328	0.22%
Other Credits to Income	661,861	0.31%	3,817,847	1.91%
	<u>211,593,148</u>	<u>100.00%</u>	<u>199,867,764</u>	<u>100.00%</u>
Expenditures:				
Budget Appropriations	175,221,717	83.55%	166,970,235	81.97%
School and County Taxes	33,943,828	16.19%	34,274,254	16.83%
Other Charges	546,288	0.26%	2,461,926	1.21%
	<u>209,711,833</u>	<u>100.00%</u>	<u>203,706,415</u>	<u>100.00%</u>
Change in Operations, net of Surplus Utilized	1,881,315		(3,838,651)	
Adjustments to Income: Deferred Charges of Budget of Succeeding Year(s)	995,000		6,100,990	
Fund Balance, July 1	<u>6,471,744</u>		<u>4,209,405</u>	
Fund Balance, June 30	<u>\$ 9,348,059</u>		<u>\$ 6,471,744</u>	

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

<u>Year Ended June 30,</u>	<u>Total Tax Rate</u>	<u>Municipal</u>	<u>County</u>	<u>Local School</u>
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
2020	7.301	5.152	1.137	1.012
2019	7.103	4.898	1.185	1.020

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 June 30,</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Collection Percentage</u>
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%
2020	109,252,437	108,013,309	98.87%
2019	107,198,009	106,539,953	99.39%

FIVE-YEAR HISTORY OF DELINQUENT TAXES AND TAX TITLE LIENS

Table 4

<u>Year Ended June 30,</u>	<u>Liens</u>	<u>Delinquent Taxes</u>	<u>Total</u>	<u>Percent of Tax Levy</u>
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%
2020	23,678	1,600,742	1,624,420	1.49%
2019	66,445	33,430	99,875	0.09%

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

Year Ended June 30,	Amount
2023	\$ -
2022	-
2021	-
2020	-
2019	-

FIVE-YEAR HISTORY OF FUND BALANCES - CURRENT FUND

Table 6

Year Ended June 30,	Fund Balance	Utilized in Budget of Succeeding Year
2023	\$ 9,348,059	\$ - *
2022	6,471,744	3,275,535
2021	4,209,405	467,457
2020	2,342,305	1,244,796
2019	3,054,684	2,037,735

* Subsequent year is a 6 month transition year.

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 FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT A-4

SCHEDULE OF CASH - TREASURER

	Ref.	Current Fund	State and Federal Grants Fund
Balance, June 30, 2022	A	\$ 8,702,729	\$ 3,368,073
Increased by Receipts:			
Miscellaneous Revenues Not Anticipated	A-2	\$ 624,101	\$ -
Change Fund	A-5	432	-
Marriage Licenses	A-6	822	-
Tax Collections - Delinquent Taxes	A-7	4,619	-
Tax Collections - Current Taxes	A-7	118,885,833	-
Tax Overpayments	A-8	209,523	-
Revenue Accounts Receivable	A-10	66,634,910	-
Interfunds	A-11 / A-27	18,782,246	1,000,000
Veterans and Sr. Citizens Deductions	A-12	25,167	-
Other Receivables	A-14	362,502	-
Other Intergovernmental Payables	A-16	751,837	-
Liquor License Retirement	A-17	13,050	-
Prepaid Taxes	A-18	146,707	-
Grants Receivable	A-25	-	3,479,298
Unappropriated Grants	A-28	-	1,621,859
		<u>206,441,749</u>	<u>6,101,157</u>
		215,144,478	9,469,230
Decreased by Disbursements:			
Current Budget Appropriations	A-3	132,775,313	-
Tax Overpayments	A-8	216,296	-
Interfunds	A-11 / A-27	26,238,580	788,217
Other Receivables	A-14	1,010	-
Appropriation Reserves	A-15	10,291,880	-
Other Intergovernmental Payables	A-16	791,361	-
Local School District Taxes Payable	A-19	15,418,637	-
County Taxes Payable	A-20	18,525,191	-
Accounts Payable	A-21	582,783	-
Special Emergency Notes Paid by Budget	A-24	3,340,000	-
Grants Appropriated	A-26	-	8,114,545
		<u>208,181,051</u>	<u>8,902,762</u>
Balance, June 30, 2023	A	<u>\$ 6,963,427</u>	<u>\$ 566,468</u>

**CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT A-5

SCHEDULE OF CHANGE FUND

	<u>Ref.</u>	
Balance, June 30, 2022		\$ 830
Decreased by:		
Cash Disbursed	A-4	<u>432</u>
Balance, June 30, 2023	A	<u><u>\$ 398</u></u>

SCHEDULE OF DUE FROM STATE OF NJ - MARRIAGE LICENSES

EXHIBIT A-6

	<u>Ref.</u>	
Balance, June 30, 2022		\$ -
Increased by:		
Fiscal Year Accrual	A-2	<u>1,683</u>
		1,683
Decreased by:		
Cash Receipts	A-4	<u>822</u>
Balance, June 30, 2023	A	<u><u>\$ 861</u></u>

CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	Added Taxes	2023 Tax Levy	Collections		Senior Citizens and Veterans Deductions	Transferred to Tax Title Liens	Cancellations	Balance
	June 30, 2022			2021-2022	2022-2023				June 30, 2023
2022 and Prior	\$ 4,522	-	-	\$ -	\$ 4,619	(97)	\$ -	-	\$ -
2023	-	-	119,154,909	214,904	118,885,833	27,250	3,022	3,442	20,458
	\$ 4,522	\$ -	\$ 119,154,909	\$ 214,904	\$ 118,890,452	\$ 27,153	\$ 3,022	\$ 3,442	\$ 20,458
	A			A-18	A-4	A-12	A-13		A
Analysis of Property Tax Levy:									
Tax Yield:									
General Purpose Tax	\$ 116,957,843					2021-2022 Collections		Delinquent	Current
Regional Efficiency Aid Program (REAP)	1,999,758					2022-2023 Collections		\$ -	\$ 214,904
Added Taxes (N.J.S.A. 54:4-63.1 et. seq.)	496,678					Senior Citizen and Veteran Deductions		4,619	118,885,833
	119,454,279							(97)	27,250
Reduction due to Tax Appeals	299,370							4,522	\$ 119,127,987
	\$ 119,154,909							A-2	A-2
Tax Levy									
Local District School Tax	\$ 15,418,637	A-19							
County Taxes	18,093,447	A-20							
County Open Space Taxes	352,316	A-20							
Due to County for Added Taxes	79,428	A-20							
Amount to be Raised by Taxes	83,439,033	A-2							
Added and Omitted Assessments	417,250								
Difference to Levy as Assessed	1,354,798								
	\$ 119,154,909								

**CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT A-8

SCHEDULE OF TAX OVERPAYMENTS

Balance, June 30, 2022	<u>Ref.</u> A		\$ 8,634
Increased by:			
Reclassified from Tax Collections for:			
County Tax Appeals		\$ 15,764	
Stat Tax Appeals		161,541	
Cash Overpayments		<u>32,218</u>	
	A-4		<u>209,523</u>
			218,157
Decreased by:			
Cash Disbursements	A-4		<u>216,296</u>
Balance, June 30, 2023	A		<u><u>\$ 1,861</u></u>

SCHEDULE OF DUE FROM PROPERTY OWNERS - RELOCATION ASSISTANCE

EXHIBIT A-9

Balance, June 30, 2022	<u>Ref.</u> A		\$ 11,552
Increased by:			
Billings			<u>113,726</u>
Balance, June 30, 2023	A		<u><u>\$ 125,278</u></u>

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance June 30, 2022	Accruals	Collections	Other	Cancelled	Balance June 30, 2023
Licenses:						
Alcoholic Beverage	\$ -	\$ 228,190	\$ 228,190	\$ -	\$ -	\$ -
Other	-	133,639	131,956	1,683	-	-
Fees and Permits	-	209,170	209,170	-	-	-
Fines and Costs Municipal Court	144,439	1,875,748	1,859,441	-	-	160,746
Interest and Costs on Taxes	-	214,537	214,537	-	-	-
Interest on Investments and Deposits	-	968,181	968,181	-	-	-
Wedding Fees	-	34,239	34,239	-	-	-
City Share of Police Details	-	129,772	-	129,772	-	-
Public Telephone Commissions	-	103,582	103,582	-	-	-
Cable Franchise Fees	-	194,921	194,921	-	-	-
Payment in Lieu of Taxes:						
Union Plaza Apartments	-	337,585	337,585	-	-	-
Palisade Urban Renewal Assoc.	-	43,321	43,321	-	-	-
Holy Rosary	-	29,845	29,845	-	-	-
Horizon Heights	-	15,460	15,460	-	-	-
Serv Properties	7,822	939	705	-	7,822	234
Suede Promotions	-	20,000	20,000	-	-	-
Monastery Redevelopment Group LL	-	39,451	39,451	-	-	-
Consolidated Municipal	-	5,621,655	-	5,621,655	-	-
Energy Receipts Taxes	-	16,828,507	15,617,207	1,211,300	-	-
Transitional Aid	-	22,500,000	22,500,000	-	-	-
Transitional Aid - Additional	-	10,000,000	5,000,000	-	-	5,000,000
Transitional Aid - DPW Road Project	-	5,670,000	5,670,000	-	-	-
Municipal Relief Fund Aid	-	1,275,415	1,275,415	-	-	-
Uniform Construction Code Fees	-	1,614,674	1,614,674	-	-	-
Union City Board of Education:						
Lease Recreational Center	-	425,000	425,000	-	-	-
Solid Waste Removal	522,906	522,906	1,045,812	-	-	-
Off Duty Police Officers	14,820	100,000	114,820	-	-	-
47th Street Pool	-	136,000	136,000	-	-	-
Police Services	230,241	436,843	667,084	-	-	-
School Crossing Guards	-	2,429,444	2,429,444	-	-	-
Police Services - SLEO	785,273	727,388	1,425,641	-	-	87,020
North Hudson Community						
Action Health Center Lease	-	30,364	30,364	-	-	-
Sale of Building	-	2,469,225	2,469,225	-	-	-
Capital Surplus	-	432,000	-	432,000	-	-
Interfund - CDBG Trust Fund	-	146,035	-	146,035	-	-
Interfund - Grant Fund	-	8,890	-	8,890	-	-
Emergency Medical Services	-	1,084,601	1,084,601	-	-	-
Reserve for Debt Service	-	156,698	-	156,698	-	-
Five Year Abatement Program	-	699,039	699,039	-	-	-
American Rescue Plan Act / Coronavirus						
State and Local Fiscal Recovery Funds (SLFRF)						
COVID-19 Health Insurance Incr	-	1,000,000	-	1,000,000	-	-
	<u>\$ 1,705,501</u>	<u>\$ 78,893,264</u>	<u>\$ 66,634,910</u>	<u>\$ 8,708,033</u>	<u>\$ 7,822</u>	<u>\$ 5,248,000</u>
	A		A-2, A-4			
			Intergovernmental Receivable		A, A-2	\$ 5,000,000
			Revenue Accounts Receivable		A	<u>248,000</u>
						<u>\$ 5,248,000</u>
			Qualified Bonds Paid By State	\$ 6,832,955	A-3	
			Marriage Licenses from State	1,683	A-6	
			Interfunds:			
			Prior Balance Anticipated	154,925	A-11	
			Police Details	129,772	A-11	
			Reserve for Debt Service	156,698	A-11	
			Capital Fund Balance	432,000	A-11	
			ARP Funds	<u>1,000,000</u>	A-11	
				<u>\$ 8,708,033</u>	A-2	

CITY OF UNION CITY
 CURRENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023
 SCHEDULE OF INTERFUNDS ACTIVITY

EXHIBIT A-11

	Ref.	Total	General Capital Fund	Federal and State Grant Fund	Other Trust Fund	Public Defender Trust Fund	Animal Control Trust Fund	CDA Trust Fund
Increased by:								
Cash Disbursements	A-4	\$ 26,238,580	\$ 24,654,296	\$ -	\$ -	\$ 9,980	\$ -	\$ 1,574,304
Statutory Excess	A-1	1,906	-	-	-	-	1,906	-
Anticipated in Budget:								
Reserve for Debt Service	A-10	156,698	156,698	-	-	-	-	-
Capital Fund Balance	A-10	432,000	432,000	-	-	-	-	-
ARP Funds	A-10	1,000,000	-	1,000,000	-	-	-	-
Police Details	A-10	129,772	-	-	129,772	-	-	-
Police Detail Admin Fee	A-2	97,800	-	-	97,800	-	-	-
Grant Revenue As Adopted	A-2	9,549,607	-	9,549,607	-	-	-	-
Grants Added by 40A.4-87	A-2	15,220	-	15,220	-	-	-	-
		<u>37,621,583</u>	<u>25,242,994</u>	<u>10,564,827</u>	<u>227,572</u>	<u>9,980</u>	<u>1,906</u>	<u>1,574,304</u>
Decreased by:								
Appropriations Due to Other Funds:								
Grants Appropriated		9,564,827	-	9,564,827	-	-	-	-
Grant Matches		161,501	-	161,501	-	-	-	-
Capital Improvement Fund		3,469,225	3,469,225	-	-	-	-	-
Transitional Aid Projects		5,670,000	5,670,000	-	-	-	-	-
Total Appropriations Due Funds	A-3	18,865,553	9,139,225	9,726,328	-	-	-	-
Grant Receivable Writeoffs	A-1	47,308	-	47,308	-	-	-	-
Cash Receipts	A-4	18,782,246	16,103,769	788,217	158,062	9,980	1,879	1,720,339
		<u>37,695,107</u>	<u>25,242,994</u>	<u>10,561,853</u>	<u>158,062</u>	<u>9,980</u>	<u>1,879</u>	<u>1,720,339</u>
Net Change in Interfunds		(73,524)	-	2,974	69,510	-	27	(146,035)
Balance, June 30, 2022								
Interfunds Receivable	A, A-10	154,925	-	8,890	-	-	-	146,035
Interfunds Payable	A	69,537	-	-	69,510	-	27	-
Balance, June 30, 2023		<u>\$ 11,864</u>	<u>\$ -</u>	<u>\$ 11,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Interfunds Receivable	A, A-1							

**CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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		\$ 12,750	
Veteran Deductions Per Tax Billings		15,250	
Allowed by Tax Collector			
Current Year		250	
Prior Year		<u>250</u>	
			\$ 28,500
Decreased by:			
Senior Citizen and Veteran Deductions			
Disallowed by Tax Collector:			
Current Year		1,000	
Prior Year		<u>347</u>	
			<u>1,347</u>
State Share of Senior Citizen and Veteran Deductions	A-7		<u>27,153</u>
Less:			
Disallowed by Sate Audit of Deductions	A-1		3,750
Cash Receipts	A-4		<u>25,167</u>
Net Change in Senior Citizen and Veteran Deductions			(1,764)
Balance, June 30, 2022			
Receivable	A		<u>25,167</u>
Balance, June 30, 2023			
Receivable	A		<u><u>\$ 23,403</u></u>

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

EXHIBIT A-13

	<u>Ref.</u>		
Balance, June 30, 2022	A		\$ 29,551
Increased by:			
Transfer from Taxes Receivable	A-7		<u>3,022</u>
Balance, June 30, 2023	A		<u><u>\$ 32,573</u></u>

SCHEDULE OF OTHER RECEIVABLES

	Balance June 30, 2022	Increased by:		Decreased by:	Balance June 30, 2023
		Budget Reimbursements	Cash Disbursements	Cash Receipts	
Due from:					
Vendors	\$ -	\$ -	\$ 1,010	\$ -	\$ 1,010
Board of Ed - Details	-	560	-	-	560
Retirement Pay - Police	-	138,480	-	-	138,480
Stop Loss Premiums	205,334	-	-	205,334	-
Union City Parking Authority	157,168	343,316	-	157,168	343,316
	<u>\$ 362,502</u>	<u>\$ 482,356</u>	<u>\$ 1,010</u>	<u>\$ 362,502</u>	<u>\$ 483,366</u>
	A, A1	A-3	A-4	A-4	A, A-1

SCHEDULE OF APPROPRIATION RESERVES

	Balance, June 30, 2022		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	\$ -	\$ 395	\$ 504	\$ 503	\$ -	\$ 1	\$ -
Municipal Court							
Other Expenses	-	2,513	11,513	27,232	113	-	15,832
Public Defender							
Other Expenses	-	-	9,625	9,625	-	-	-
Senior Citizens							
Other Expenses	1	341	874	873	-	1	-
Hispanic/Cultural Affairs							
Other Expenses	-	7,486	7,486	7,486	-	-	-
North Hudson Council of Mayors							
Other Expenses	11,324	-	22,169	22,169	-	-	-
Municipal Land Use Law (NJS 40:55D-1)							
Other Expenses	-	-	3,462	3,461	-	1	-
Continuous Planning Program							
Other Expenses	-	508	(6,200)	(6,708)	-	508	-
Celebration of Public Events							
Other Expenses	-	4,322	6,200	6,200	-	-	-
Department of Revenue and Finance:							
Director's Office							
Other Expenses	-	475	475	475	-	-	-
City Clerk's Office							
Other Expenses	-	1,351	12,046	11,347	-	699	-
Postage							
Other Expenses	-	-	2,114	2,114	-	-	-
Treasurer's Office							
Salaries and Wages	690	-	3	-	-	3	-
Other Expenses	56,049	33,394	32,208	31,596	-	612	-
Assessment of Taxes							
Other Expenses	-	960,100	961,616	509,516	452,100	-	-
Collection of Taxes							
Other Expenses	1	3,442	3,443	3,439	-	4	-
Data Processing							
Other Expenses	-	-	545	545	-	-	-
Central Purchasing							
Other Expenses	-	1,243	1,243	1,243	-	-	-
Rent Control Board							
Other Expenses	-	8,745	9,602	9,602	-	-	-
Insurance							
Workers Compensation	563	25,000	2,645	2,644	-	1	-
Employee Group Health	-	1,116,829	1,116,829	1,376,760	-	-	259,931
Tax Searches							
Salaries and Wages	107	-	1	-	-	1	-
Other Expenses	250	-	-	-	-	-	-
Elections							
Other Expenses	-	105,177	145,277	174,909	13,668	-	43,300
Membership NJ League of Municipalities							
Annual Audit							
Other Expenses	-	90,500	90,500	90,500	-	-	-
Photocopying							
Other Expenses	-	-	2,006	2,006	-	-	-
Tax Sale Costs							
Other Expenses	700	9,300	9,300	9,300	-	-	-
Day Care Center							
Other Expenses	-	130,000	130,000	130,000	-	-	-
Department of Parks and Public Property:							
Director's Office							
Other Expenses	-	152	1	-	-	1	-
Department of Public Safety:							
Director's Office							
Other Expenses	-	2,294	1,727	1,433	-	294	-
Legal Department							
Other Expenses	-	72,576	72,576	326,353	-	-	253,777
Tenant Advocacy							
Other Expenses	-	-	622	622	-	-	-
Police Department							
Salaries and Wages	53,632	-	(3,377)	(3,377)	-	-	-
Other Expenses	-	150,753	207,163	321,761	-	-	114,598
Traffic Signs and Safety							
Other Expenses	33,201	903	42,301	43,204	-	-	903

SCHEDULE OF APPROPRIATION RESERVES

	Balance, June 30, 2022		Balance After Transfers	Paid or Charged	Accounts Payable	Balance Lapsed	Over Expended
	Reserved	Encumbered					
(A) Operations - Within "CAPS"							
Emergency Management Services							
Other Expenses	\$ -	\$ 2,235	\$ 4,470	\$ 2,235	\$ -	\$ 2,235	\$ -
Emergency Medical Services							
Other Expenses	-	14,143	10,180	9,611	-	569	-
Life Hazard Use Fee-Uniform Fire Safety							
Other Expenses	1	-	1	-	-	1	-
Fleet Maintenance							
Other Expenses	-	117,226	126,400	126,345	-	55	-
Department of Public Safety:							
Contribution to UCRA	-	126,000	126,000	126,000	-	-	-
Board of Health							
Salaries and Wages	8,890	-	1	-	-	1	-
Other Expenses	-	-	5,497	5,497	-	-	-
Welfare							
Relocation Assistance	-	15,006	(9,060)	(9,060)	-	-	-
Department of Public Works:							
Director's Office							
Other Expenses	-	9,076	542	542	-	-	-
Street Cleaning							
Other Expenses	-	9,768	27,072	27,072	-	-	-
Streets Repairs and Maintenance							
Other Expenses	8	5,148	52,864	49,937	-	2,927	-
Snow Removal							
Other Expenses	-	68	1	-	-	1	-
Board of Adjustment							
Other Expenses	-	300	(14,471)	(14,471)	-	-	-
Solid Waste Disposal							
Other Expenses	386,058	52,928	400,645	400,645	-	-	-
Engineering Services							
Other Expenses	-	-	-	101,168	-	-	101,168
Public Assistance							
Other Expenses	-	1,900	348	348	-	-	-
Department of Parks and Public Property:							
Parks and Playgrounds							
Other Expenses	6,780	37,447	83,797	126,686	-	-	42,889
Public Buildings and Grounds							
Other Expenses	3,461	51,743	59,703	48,203	-	11,500	-
Recreation							
Other Expenses	-	98,136	98,136	198,947	-	-	100,811
Uniform Construction Code:							
State Uniform Construction Code Officials:							
Other Expenses	9,833	97,074	70,209	70,208	-	1	-
Fire Inspector							
Other Expenses	1	-	1	-	-	1	-
Unclassified:							
Gasoline	-	80,000	77,907	77,907	-	-	-
Telephone	-	1,250	23,795	22,544	-	1,251	-
Electricity	-	48,138	48,138	496,768	-	-	448,630
Water	-	-	5,965	5,965	-	-	-
Printing	-	-	-	76,637	-	-	76,637
Sewer	1	-	1	-	-	1	-
Deferred Charges and Statutory Expenditures -							
Statutory Expenditures - Contributions to:							
Social Security System	3,098	-	-	-	-	-	-
Unemployment Insurance	-	196,117	171,510	117,053	54,457	-	-
Other Operations Excluded from "CAPS"							
Free Public Library	3,286	161,072	164,358	164,358	-	-	-
North Hudson Fire & Rescue	289,955	4,783,348	5,073,303	4,796,519	-	276,784	-
Shared Service Agreements:							
Union City Board of Education							
School Crossing Guards	-	198,544	198,544	136,099	62,445	-	-
Hudson County Improvement Authority:							
Fire Dept Assets - Interest	-	11,284	11,284	11,284	-	-	-
Total General Appropriations	\$ 867,890	\$ 8,845,750	\$ 9,713,640	\$ 10,291,880	\$ 582,783	\$ 297,453	\$ 1,458,476
	A	A-22		A-4	A-21	A-1	A-23

**CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT A-16

SCHEDULE OF OTHER INTERGOVERNMENTAL PAYABLES

	<u>Balance June 30, 2022</u>	<u>Increased by: Cash Receipts</u>	<u>Decreased by: Cash Disbursements</u>	<u>Balance June 30, 2023</u>
Due to:				
Union City Parking Authority	\$ 45,019	\$ 678,594	\$ 723,613	\$ -
State of New Jersey:				
Training Fees	21,174	73,243	64,023	30,394
Marriage License Fees	3,725	-	3,725	-
	<u>\$ 69,918</u>	<u>\$ 751,837</u>	<u>\$ 791,361</u>	<u>\$ 30,394</u>
	A	A-4	A-4	A

**CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT A-17

SCHEDULE OF RESERVE FOR LIQUOR LICENSE RETIREMENT

Balance, June 30, 2022	<u>Ref.</u> A	\$ 45,005
Increased by:		
Cash Receipts	A-4	<u>13,050</u>
Balance, June 30, 2023	A	<u><u>\$ 58,055</u></u>

SCHEDULE OF PREPAID TAXES

EXHIBIT A-18

Balance, June 30, 2022	<u>Ref.</u> A	\$ 214,904
Increased by:		
Cash Collections	A-4	<u>146,707</u>
		361,611
Decreased by:		
Applied to 2022-2023 Taxes	A-7	<u>214,904</u>
Balance, June 30, 2023	A	<u><u>\$ 146,707</u></u>

**CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT A-19

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

Balance, June 30, 2022	<u>Ref.</u> A	\$ -
Increased by:		
Levy School Year	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, June 30, 2023	A	<u>\$ -</u>

SCHEDULE OF COUNTY TAXES PAYABLE

EXHIBIT A-20

Balance, June 30, 2022	<u>Ref.</u>	\$ -
Increased by:		
County Taxes	A-7	\$ 18,093,447
County Open Space Taxes	A-7	352,316
	A-1	<u>18,445,763</u>
Added Taxes	A-1, A-7	79,428
	A-2	<u>18,525,191</u>
		18,525,191
Decreased by:		
Cash Disbursements	A-4	18,525,191
		<u>18,525,191</u>
Balance, June 30, 2023		<u>\$ -</u>

**CITY OF UNION CITY
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT A-21

SCHEDULE OF ACCOUNTS PAYABLE

Balance, June 30, 2022	<u>Ref.</u> A	\$ -
Increased by:		
Charges to Appropriation Reserves	A-15	582,783
		<u>582,783</u>
Decreased by:		
Cash Disbursements	A-4	582,783
		<u>582,783</u>
Balance, June 30, 2023	A	<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	\$ 5,608,247	\$ -
Grants Appropriated	A-26	-	1,248,499
		<u>5,608,247</u>	<u>1,248,499</u>
Decreased by:			
Appropriation Reserves	A-15	8,845,750	-
Grants Appropriated	A-26	-	1,927,660
		<u>8,845,750</u>	<u>1,927,660</u>
Net Change in Encumbrances		(3,237,503)	(679,161)
Balance, June 30, 2022	A	<u>8,845,750</u>	<u>\$ 1,927,660</u>
Balance, June 30, 2023	A	<u>\$ 5,608,247</u>	<u>\$ 1,248,499</u>

SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

Ordinance Number	Original		Maturity Date	Interest Rate	Balance June 30, 2022	Notes Issued	Decreased by:		Balance June 30, 2023
	Date of Issue	Amount					Notes Refunded	Paid by Budget Appropriation	
Budget Deficit State Loan:									
Series 2022 B-2 (Federally Taxable) (HCIA Local Unit Loan Program)									
2019-14	06/24/2019	\$ 6,050,000	08/04/2023	3.875%	\$ -	\$ 2,420,000	\$ -	\$ -	\$ 2,420,000
Series 2021 C-2 (Federally Taxable) (HCIA Local Unit Loan Program)									
2019-14	06/24/2019	6,050,000	08/16/2022	1.000%	3,630,000	-	2,420,000	1,210,000	-
Preparation of Tax Map									
Series 2023A (Tax Exempt) (HCIA Local Unit Loan Program)									
*	4/29/2021	155,000	04/05/2024	4.250%	-	93,000	-	-	93,000
Series 2022A-2 (Federally Taxable) (HCIA Local Unit Loan Program)									
*	4/29/2021	155,000	04/17/2023	2.750%	124,000	-	93,000	31,000	-
COVID Emergency Authorizations of June 23, 2020									
Series 2023A (Tax Exempt) (HCIA Local Unit Loan Program)									
Health Insurance									
*	4/29/2021	4,219,789	04/05/2024	4.250%	-	2,530,004	-	-	2,530,004
Solid Waste									
*	4/29/2021	1,255,611	04/05/2024	4.250%	-	753,996	-	-	753,996
Series 2022A-1 (Tax Exempt) (HCIA Local Unit Loan Program)									
Health Insurance									
*	4/29/2021	4,219,789	04/17/2023	3.000%	3,375,589	-	2,530,004	845,585	-
Solid Waste									
*	4/29/2021	1,255,611	04/17/2023	3.000%	1,004,411	-	753,996	250,415	-
COVID-19 Revenue Loss									
Series 2023A (Tax Exempt) (HCIA Local Unit Loan Program)									
*	4/29/2021	1,726,000	04/05/2024	4.250%	-	1,035,600	-	-	1,035,600
Series 2022A-2 (Federally Taxable) (HCIA Local Unit Loan Program)									
*	4/29/2021	155,000	04/17/2023	2.750%	1,380,800	-	1,035,600	345,200	-

SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

Ordinance Number	Original		Maturity Date	Interest Rate	Balance June 30, 2022	Notes Issued	Decreased by:		Balance June 30, 2023
	Date of Issue	Amount					Notes Refunded	Paid by Budget Appropriation	
Contractually Required Severance Liabilities									
Special Emergency Notes, Series A of 2023 (Federally Taxable)									
2018-37	12/12/2014	\$ 1,012,741	01/25/2023	3.850%	\$ -	\$ 167,000	\$ -	\$ -	\$ 167,000
2018-38	10/10/2018	1,732,769	01/25/2023	3.850%	-	380,000	-	-	380,000
Special Emergency Notes, Series A of 2022 (Federally Taxable)									
2018-37	12/12/2014	1,012,741	01/26/2022	0.560%	377,000	-	167,000	210,000	-
2018-38	10/10/2018	1,732,769	01/26/2022	0.560%	720,000	-	380,000	340,000	-
Series 2023A (Tax Exempt) (HCIA Local Unit Loan Program)									
*	4/29/2021	539,000	04/06/2023	4.250%	-	323,400	-	-	323,400
Series 2022A-2 (Federally Taxable) (HCIA Local Unit Loan Program)									
*	4/29/2021	539,000	04/18/2022	2.750%	431,200	-	323,400	107,800	-
				<u>Ref.</u>	<u>\$ 11,043,000</u>	<u>\$ 7,703,000</u>	<u>\$ 3,340,000</u>	<u>\$ 7,703,000</u>	<u>\$ 7,703,000</u>
					<u>A</u>		<u>A-4</u>	<u>A</u>	
				Series A of 2022	\$ 1,097,000			Series A of 2023	\$ 547,000
				Series 2022A-1	4,380,000			Series 2023A	4,736,000
				Series 2022A-2	1,936,000			Series 2022B-2	2,420,000
				Series 2021C-2	3,630,000				<u>\$ 7,703,000</u>
					<u>\$ 11,043,000</u>				

SCHEDULE OF GRANTS RECEIVABLE

Budget Year	Balance June 30, 2022	Anticipated in Budget		Received	Reallocated / Cancelled	Balance June 30, 2023
		As Adopted	As Added by 40A:4-87			
FEDERAL GRANTS						
U.S. Department of Health and Human Services:						
Drug Free Community						
2022	\$ 38,296	\$ -	\$ -	\$ 38,296	\$ -	\$ -
2023	-	125,000	-	94,031	-	30,969
Passed through NJ Department of Health						
Strengthening Local Public Health Capacity						
2022	128,249	-	-	104,249	24,000	-
2023	-	274,735	-	82,669	-	192,066
COVID-19 Vaccination Supplemental Funding						
2022	28,269	-	-	28,269	-	-
2023	-	50,000	-	23,976	-	26,024
U.S. Department of Justice:						
Bulletproof Vest Partnership Program						
2021	16,660	-	-	-	-	16,660
2018	11,063	-	-	1,587	-	9,476
2020	11,522	-	-	-	-	11,522
2022	5,515	-	-	1,688	-	3,827
2023	-	13,640	-	-	-	13,640
COPS Hiring Program						
2023	-	3,750,000	-	-	-	3,750,000
COPS Technology & Equipment						
2023	-	1,100,000	-	-	-	1,100,000
Passed through NJ Department of Law and Public Safety:						
Pedestrian Safety						
2022	35,000	-	-	33,000	2,000	-
Non-Motorized Safety						
2023	-	35,000	-	-	-	35,000
U.S. Department of Agriculture:						
Pass through Entity: State of NJ Department of Health						
Program: WIC/Seniors Farmer Market Nutrition Program						
2023	-	-	1,220	-	-	1,220
U.S. Department of Treasury:						
Passed through County of Hudson						
CARES Act - Reimbursements						
2021	637,299	-	-	589,771	47,528	-
U.S. Department of Transportation:						
Passed through NJ Department of Law and Public Safety:						
National Highway Traffic Safety Association - Click it or Ticket						
2022	14,000	-	-	14,000	-	-
2023	-	-	14,000	-	-	14,000
U Text, U Drive, U Pay						
2022	12,240	-	-	12,240	-	-
Body Worn Camera Grant						
2022	476,892	-	-	-	-	476,892
Distracted Driving Crackdown Grant						
2023	-	12,250	-	-	-	12,250
Drive Sober or Get Pulled Over Holiday Crackdown						
2023	-	10,500	-	8,120	2,380	-
Drive Sober or Get Pulled Over						
2023	-	8,750	-	1,740	7,010	-
Total Federal	\$ 1,415,005	\$ 5,379,875	\$ 15,220	\$ 1,033,636	\$ 82,918	\$ 5,693,546

SCHEDULE OF GRANTS RECEIVABLE

Budget Year	Balance June 30, 2022	Anticipated in Budget		Received	Reallocated / Cancelled	Balance June 30, 2023
		As Adopted	As Added by 40A:4-87			
STATE GRANTS						
NJ Department of Transportation Transportation Trust Fund:						
2019 Various Streets - FY 19 Municipal Aid						
2020	\$ 110,969	\$ -	\$ -	\$ -	\$ -	\$ 110,969
2021 Various Streets - FY 21 Municipal Aid						
2021	720,000	-	-	-	-	720,000
2021 Various Streets - FY 19 Urban Aid						
2021	195,396	-	-	-	-	195,396
Palisade Ave Section 2 - FY20 Local Aid Infrastructure Fund						
2016	858,037	-	-	-	-	858,037
Palisade Ave Section 3 - FY21 Local Aid Infrastructure Fund						
2021	875,000	-	-	-	-	875,000
Kerrigan Avenue - LAIF Discretionary Funds						
2018	709,126	-	-	-	-	709,126
2018 Various Streets - FY 18 Urban Aid						
2019	66,150	-	-	-	-	66,150
Palisade Ave Section 1 - FY 19 LAIF						
2019	600,000	-	-	-	-	600,000
35th Street Phase 1 - FY20 Municipal Aid						
2020	117,725	-	-	-	45,625	72,100
35th Street Phase 2 - FY20 Municipal Aid						
2020	74,465	-	-	-	22,297	52,168
Central Ave Corridor Improvements - Local Aid Infrastructure						
2022	900,000	-	-	-	-	900,000
13th, 42nd and 47th Streets - Municipal Aid Program						
2022	862,176	-	-	-	-	862,176
13th, 37th and 38th Streets - Municipal Aid Program						
2023	-	881,990	-	-	-	881,990
NJ Department of Law and Public Safety:						
Body Armor Fund						
2023	-	9,471	-	9,471	-	-
Edward Byrne Memorial Justice Assistance Grant (JAG)						
2022	24,643	-	-	-	-	24,643
NJ Department of Community Affairs:						
Urban Enterprize Zone (UEZ) Assistance Fund						
2022	885,746	-	-	885,746	-	-
41st Street Park Grant						
2023	-	1,700,000	-	850,000	-	850,000
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
Green Acres - 4100 Palisade Ave. - Urban Parks						
2022	500,000	-	-	-	-	500,000
2023	-	225,000	-	-	-	225,000
Recycling Tonnage						
2023	-	107,409	-	107,409	-	-
Electric Vehicle DC Fast Charger Community Grant						
It Pay\$ to Plug						
2023	-	150,000	-	-	-	150,000
NJ Department of Environmental Protection						
Clean Energy Electric Vehicle Tourism Grant						
2023	-	42,000	-	-	-	42,000

SCHEDULE OF GRANTS RECEIVABLE

Budget Year	Balance June 30, 2022	Anticipated in Budget		Received	Reallocated / Cancelled	Balance June 30, 2023
		As Adopted	As Added by 40A:4-87			
STATE GRANTS (continued)						
NJ Department of Treasury:						
Community Energy Plan Grant						
2023	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ -
Passed through County of Hudson:						
Municipal Alliance on Alcoholism and Drug Abuse						
2022	15,069	-	-	15,069	-	-
2023	-	21,005	-	21,005	-	-
Youth Leadership Municipal Alliance						
2023	-	7,616	-	7,616	-	-
Total State	\$ 9,189,502	\$ 3,169,491	\$ -	\$ 1,921,316	\$ 67,922	\$ 10,369,755
COUNTY GRANTS						
County of Hudson:						
History Partnership Program - Union City Documentary						
2017	\$ 1,875	\$ -	\$ -	\$ -	\$ 1,875	\$ -
History Partnership Program - Union City Museum						
2018	2,500	-	-	-	2,500	-
Open Space Trust Fund:						
38th Street Playground Improvements						
2019	44,025	-	-	-	44,025	-
Washington Park Improvements Phase II						
2019	240	-	-	-	240	-
4100 Palisade Ave						
2022	227,500	-	-	-	(44,025)	271,525
Washington Park East Phase II						
2021	272,500	-	-	46,638	-	225,862
Total County	\$ 548,640	\$ -	\$ -	\$ 46,638	\$ 4,615	\$ 497,387
OTHER PRIVATE GRANTS						
National Opioid Settlement						
2023	\$ -	\$ 346,324	\$ -	\$ 346,324	\$ -	\$ -
NJ Association of County and City Health Officials:						
Enhancing Local Public Health Infrastructure Grant						
2023	-	653,917	-	131,384	-	522,533
Private Total	-	1,000,241	-	477,708	-	522,533
	\$ 11,153,147	\$ 9,549,607	\$ 15,220	\$ 3,479,298	\$ 155,455	\$ 17,083,221
Ref.	A	A-27	A-27	A-4		A
				A-26	\$ 108,147	
				A-27	47,308	
					\$ 155,455	

SCHEDULE OF RESERVE FOR APPROPRIATED GRANTS

Budget Year	Balance, June 30, 2022		Increased by:		Decreased by:		Balance, June 30, 2023	
	Reserved	Encumbered	City Match	Current Year Awards	Paid or Charged	Reallocated / Cancelled	Encumbered	Reserved
FEDERAL GRANTS								
U.S. Department of Health and Human Services:								
Drug Free Community								
2022	15,312	24,750	-	-	40,062	-	-	-
2023	-	-	-	125,000	97,507	-	20,583	6,910
Drug Free Community - Local Match								
2022	39,062	-	-	-	39,062	-	-	-
2023	-	-	156,250	-	120,960	-	-	35,290
Passed Through NJ Department of Health								
Strengthening Local Public Health Capacity								
2022	16,251	51,163	-	-	40,830	24,000	-	2,584
2023	-	-	-	274,735	254,271	-	1,092	19,372
COVID-19 Vaccination Supplemental Funding								
2022	-	5,294	-	-	5,294	-	-	-
2023	-	-	-	50,000	48,062	-	-	1,938
U.S. Department of Justice:								
COPS Hiring Program								
2023	-	-	-	3,750,000	-	-	-	3,750,000
COPS Technology & Equipment								
2023	-	-	-	1,100,000	241,027	-	182,122	676,851
Bulletproof Vest Partnership Program								
2022	3,826	-	-	-	3,826	-	-	-
2023	-	-	-	13,640	5,856	-	-	7,784
Passed through NJ Department of Law and Public Safety:								
Pedestrian Safety Grant								
2022	35,000	-	-	-	33,000	2,000	-	-
Non-Motorized Safety								
2023	-	-	-	35,000	-	-	-	35,000
U.S. Department of Agriculture:								
Pass through Entity: State of NJ Department of Health								
Program: WIC/Seniors Farmer Market Nutrition Program								
2023	-	-	-	1,220	-	-	-	1,220

SCHEDULE OF RESERVE FOR APPROPRIATED GRANTS

Budget Year	Balance, June 30, 2022		Increased by:			Decreased by:			Balance, June 30, 2023	
	Reserved	Encumbered	City Match	Current Year Awards	Paid or Charged	Reallocated / Cancelled	Encumbered	Reserved		
FEDERAL GRANTS (continued)										
U.S. Department of Treasury:										
ARP-State and Local Fiscal Recovery Funds										
2021	\$ 2,756,841	\$ 34,802	\$ -	\$ -	\$ 2,685,277	\$ -	\$ 57,803	\$ 48,563		
2022	2,972,155	-	-	-	469,257	-	2,898	2,500,000		
U.S. Department of Transportation:										
Body Worn Cameras Grant										
2022	458,262	-	-	-	32,510	-	47,590	378,162		
Passed through NJ Department of Law and Public Safety										
National Highway Traffic Safety Association - Restraints Program Management										
Click it or Ticket										
2022	9,200	-	-	-	9,200	-	-	-		
2023	-	-	-	14,000	6,090	-	-	7,910		
Distracted Driving Crackdown Grant										
2023	-	-	-	12,250	12,250	-	-	-		
Drive Sober or Get Pulled Over Holiday Crackdown										
2023	-	-	-	10,500	8,120	2,380	-	-		
Drive Sober or Get Pulled Over										
2023	-	-	-	8,750	1,740	7,010	-	-		
Federal Total	6,305,909	116,009	156,250	5,395,095	4,154,201	35,390	312,088	7,471,584		

SCHEDULE OF RESERVE FOR APPROPRIATED GRANTS

STATE GRANTS	Balance, June 30, 2022		Increased by:			Decreased by:			Balance, June 30, 2023	
	Budget Year	Reserved	Encumbered	City Match	Current Year Awards	Paid or Charged	Reallocated / Cancelled	Encumbered	Reserved	
NJ Department of Transportation Transportation Trust Fund:										
Various Streets 2021 - FY 21 Municipal Aid	2021	\$ 327,013	\$ 216,345	\$ -	\$ -	\$ 78,098	\$ -	\$ 138,247	\$ 327,013	
Palisade Ave, Section 3	2020	-	935,927	-	-	935,927	-	-	-	
35th St Phase 1 - FY20 Municipal Aid	2020	45,625	-	-	-	-	45,625	-	-	
NJ Department of Transportation Transportation Trust Fund:										
35th St Phase 2 - FY20 Municipal Aid	2020	22,297	-	-	-	-	22,297	-	-	
Central Ave Corridor Improvements - Local Aid Infrastructure	2022	-	472,377	-	-	472,377	-	-	-	
13th, 42nd and 47th Streets - Municipal Aid Program	2022	862,176	-	-	-	862,176	-	-	-	
13th, 37th and 38th Streets - Municipal Aid Program	2023	-	-	881,990	-	170,066	-	267,974	443,950	
NJ Department of Law and Public Safety: Body Armor Fund										
2022	2022	7,000	-	-	-	7,000	-	-	-	
2023	2023	-	-	9,471	-	2,682	-	-	6,789	
NJ Department of Environmental Protection: Clean Communities										
2021	2021	-	405	-	-	405	-	-	-	
2021	2021	-	275	-	-	275	-	-	-	
2022	2022	88,109	4,930	-	-	77,827	-	2,473	12,739	
Electric Vehicle DC Fast Charger Community Grant It Pay\$ to Plug										
2023	2023	-	-	150,000	-	-	-	-	150,000	
Clean Energy Electric Vehicle Tourism Grant										
2023	2023	-	-	42,000	-	11,223	-	-	30,777	

SCHEDULE OF RESERVE FOR APPROPRIATED GRANTS

STATE GRANTS (continued)	Balance, June 30, 2022		Increased by:		Decreased by:		Balance, June 30, 2023	
	Budget Year	Reserved / Encumbered	City Match	Current Year Awards	Paid or Charged	Reallocated / Cancelled	Encumbered	Reserved
NJ Division of Highway Traffic Safety:								
Drunk Driving Enforcement Fund								
2018	\$ 13,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,933
2017	3,664	-	-	-	435	-	-	3,229
Green Acres - Reservoir Purchase								
2018	1,000,000	-	-	-	80,618	-	-	919,382
2016	-	177,382	-	-	177,382	-	-	-
Green Acres - 44th St Acquisition								
2020	675,000	-	-	-	-	-	-	675,000
Green Acres - 4100 Palisade Ave.								
2022	1,000,000	-	-	-	15,200	-	-	984,800
2023	-	-	-	225,000	-	-	-	225,000
Green Acres - 4100 Palisade Ave. - Urban Parks								
2022	500,000	-	-	-	-	-	-	500,000
NJ Division of Highway Traffic Safety:								
Recycling Tonnage Grant								
2021	122,918	-	-	-	122,918	-	-	-
2020	4,809	-	-	-	4,809	-	-	-
2022	134,562	-	-	-	134,562	-	-	-
2023	-	-	-	107,409	-	-	2,100	105,309
NJ Department of Treasury:								
Community Energy Plan Grant								
2023	-	-	-	25,000	-	-	-	25,000
Passed through County of Hudson:								
Municipal Alliance								
Program Funds								
2022	1,599	-	-	-	1,599	-	-	-
2023	-	-	-	21,005	21,005	-	-	-
Matching Funds								
2023	-	-	5,251	-	5,251	-	-	-
Youth Leadership Municipal Alliance								
2023	-	-	-	7,616	7,616	-	-	-

CITY OF UNION CITY
FEDERAL AND STATE GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SCHEDULE OF RESERVE FOR APPROPRIATED GRANTS

Budget Year	Balance, June 30, 2022		Increased by:		Decreased by:		Balance, June 30, 2023	
	Reserved	Encumbered	City Match	Current Year Awards	Paid or Charged	Reallocated / Cancelled	Encumbered	Reserved
STATE GRANTS (continued)								
NJ Administrative Office of the Courts:								
Alcohol Education								
2013	\$ 110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110
2014	2,216	-	-	-	-	-	-	2,216
2014	3,368	-	-	-	-	-	-	3,368
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
NJ Department of Community Affairs:								
41st Street Park Grant								
2023	-	-	-	1,700,000	-	-	-	1,700,000
Urban Enterprise Zone (UEZ) Assistance Fund								
2022	885,746	-	-	-	360,129	-	525,617	-
State Total	5,729,901	1,807,641	5,251	3,169,491	3,549,580	67,922	936,411	6,158,371

CITY OF UNION CITY
FEDERAL AND STATE GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SCHEDULE OF RESERVE FOR APPROPRIATED GRANTS

Budget Year	Balance, June 30, 2022		Increased by:		Decreased by:		Balance, June 30, 2023	
	Reserved	Encumbered	City Match	Current Year Awards	Paid or Charged	Reallocated / Cancelled	Encumbered	Reserved
HUDSON COUNTY GRANTS								
History Partnership Program - UC Museum								
2018	\$ 2,500	\$ -	\$ -	\$ -	\$ -	2,500	\$ -	\$ -
History Partnership Program - Otis Davis Documentary								
2019	2,095	2,800	-	-	2,800	2,095	-	-
Open Space Trust Fund								
38th Street Playground Improvements								
2019	44,025	-	-	-	-	44,025	-	-
Washington Park Improvements Phase II								
2019	240	-	-	-	-	240	-	-
Washington Park East Improvements Phase II								
2021	272,500	-	-	-	272,500	-	-	-
Ellsworth Park Improvements								
2014	-	1,210	-	-	1,210	-	-	-
4100 Palisade Ave.								
2022	227,500	-	-	-	-	(44,025)	-	271,525
County Total	548,860	4,010	-	-	276,510	4,835	-	271,525

OTHER PRIVATE GRANTS

National Opioid Settlement								
2023	\$ -	\$ -	\$ -	\$ 346,324	\$ -	\$ -	\$ -	\$ 346,324
NJ Association of County and City Health Officials: Enhancing Local Public Health Infrastructure Grant								
2023	-	-	-	653,917	134,254	-	-	519,663
Private Total	-	-	-	1,000,241	134,254	-	-	865,987
Ref	\$ 12,584,670	\$ 1,927,660	\$ 161,501	\$ 9,564,827	\$ 8,114,545	\$ 108,147	\$ 1,248,499	\$ 14,767,467
	A	A-22	A-27	A-27	A-4	A-25	A-22	A

**CITY OF UNION CITY
 FEDERAL AND STATE GRANTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT A-27

SCHEDULE OF INTERFUNDS

	<u>Ref.</u>	<u>Current Fund</u>
Increased by:		
Appropriated in Budget		
Grant Awards	A-26	\$ 9,564,827
City Match	A-26	161,501
Cancelled Receivables	A-25	47,308
Cash Disbursements	A-4	788,217
		<u>10,561,853</u>
Decreased by:		
Anticipated Grant Revenues		
Adopted Budget	A-25	9,549,607
Added by Chapter 159	A-25	15,220
Cash Receipts	A-4	1,000,000
		<u>10,564,827</u>
Net Change in Interfunds		(2,974)
Balance, June 30, 2022		<u>-</u>
Balance, June 30, 2023		<u>\$ -</u>

**CITY OF UNION CITY
 FEDERAL AND STATE GRANTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT A-28

SCHEDULE OF RESERVE FOR UNAPPROPRIATED GRANTS

	<u>Balance June 30, 2022</u>	<u>Cash Receipts</u>	<u>Balance June 30, 2023</u>
<u>FEDERAL GRANTS:</u>			
U.S. Department of Treasury:			
ARP-State and Local Fiscal Recovery Funds	\$ -	\$ 1,440,400	\$ 1,440,400
<u>STATE GRANTS:</u>			
NJ Department of Environmental Protection:			
Clean Communities	-	104,355	104,355
NJ Administrative Office of the Courts:			
Alcohol Education	-	9,605	9,605
<u>PRIVATE GRANTS:</u>			
National Opioid Settlement	-	67,499	67,499
	<u>\$ -</u>	<u>\$ 1,621,859</u>	<u>\$ 1,621,859</u>
	A	A-4	A

CITY OF UNION CITY

REPORT OF AUDIT

**SUPPLEMENTARY DATA SECTION:
TRUST FUND SCHEDULES**

**CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT B-1

SCHEDULE OF CASH AND CASH EQUIVALENTS - ANIMAL CONTROL TRUST FUND

Balance, June 30, 2022	<u>Ref.</u> B		\$ 9,152
Increased by:			
Sale of Dog Licenses - State	B-2	\$ 921	
Sale of Dog Licenses - City	B-3	3,834	
Sale of Dog Licenses - Late Fees	B-3	<u>440</u>	
			<u>5,195</u>
			14,347
Decreased by:			
Due to Current Fund	B-4	1,879	
Transmitted to State	B-2	1,785	
Accounts Payable	B-3	<u>541</u>	
			<u>4,205</u>
Balance, June 30, 2023	B		<u><u>\$ 10,142</u></u>

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

EXHIBIT B-2

Balance, June 30, 2022	<u>Ref.</u> B		\$ 864
Increased by:			
State Fees Collected:			
Pilot Clinic Funds		\$ 71	
Registration Fees		355	
Population Control Fees		<u>495</u>	
	B-1		<u>921</u>
			1,785
Decreased by:			
Transmitted to State	B-1		<u>1,785</u>
Balance, June 30, 2023	B		<u><u>\$ -</u></u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT B-3

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

Balance, June 30, 2022	<u>Ref.</u> B		\$ 8,315
Increased by:			
Cash Receipts - Dog Licenses	B-1	\$ 3,834	
Cash Receipts - Late Fees	B-1	<u>440</u>	
			<u>4,274</u>
			12,589
Decreased by:			
Cash Disbursements	B-1	541	
Statutory Excess	B-4	<u>1,906</u>	
			<u>2,447</u>
Balance, June 30, 2023	B		<u><u>\$ 10,142</u></u>

<u>Maximum Allowable Reserve</u>	
License Fees Collected:	
2022	\$ 6,107
2021	<u>4,035</u>
	<u><u>\$ 10,142</u></u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT B-4

SCHEDULE OF INTERFUNDS - ANIMAL CONTROL FUND

	<u>Ref.</u>	<u>Due To / From Current Fund</u>
Increased by:		
Cash Disbursed	B-1	\$ 1,879
Decreased by:		
Cash Disbursed by Current Fund for:		
Statutory Excess	B-3	1,906
Net Change in Interfunds		(27)
Balance, June 30, 2022	B	
Interfunds Receivable		27
Balance, June 30, 2023	B	\$ -

SCHEDULE OF CASH AND CASH EQUIVALENTS - OTHER TRUST FUND

EXHIBIT B-5

Balance, June 30, 2022	<u>Ref.</u> B		\$ 14,759,000
Increased by Cash Receipts:			
Due from Contractors	B-6	\$ 16,125	
Other Trust Fund Reserves	B-8	<u>8,063,935</u>	
			<u>8,080,060</u>
			22,839,060
Decreased by Cash Disbursements:			
Due to Current Fund	B-7	158,062	
Other Trust Fund Reserves	B-8	<u>11,265,676</u>	
			<u>11,423,738</u>
Balance, June 30, 2023	B		<u>\$ 11,415,322</u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT B-6

SCHEDULE OF ACCOUNT RECEIVABLES - OTHER TRUST FUND

	<u>Ref.</u>	<u>Due from Contractors</u>
Balance, June 30, 2022	B	\$ 407,067
Decreased by Cash Receipts:		
Other Trust Fund Reserves	B-5	<u>16,125</u>
Balance, June 30, 2023	B	<u><u>\$ 390,942</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>\$ 158,062</u>
Decreased by:		
Expenditures Paid by Current Fund	B-8	<u>227,572</u>
Net Change in Interfunds		(69,510)
Balance, June 30, 2022	B	
Interfunds Receivable		<u>69,510</u>
Balance, June 30, 2023	B	<u><u>\$ -</u></u>

CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT B-8

SCHEDULE OF OTHER TRUST FUND RESERVES

	Balance, June 30, 2022		Increase	Decrease	Balance, June 30, 2023	
	Reserved	Encumbered			Encumbered	Reserved
Ambulance Donations	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ 300
COAH	2,512,366	-	312,927	248,377	-	2,576,916
DARE Donations	1,845	-	-	-	-	1,845
DEA - Federal Equitable Sharing	208	-	7	-	-	215
Disposal of Forfeited Property	17,184	-	-	-	-	17,184
HCLET - Forfeited Property	78,285	14,287	13,864	55,800	-	50,636
Prisoners' Property	25,341	-	-	-	-	25,341
Elevator Inspections	7,579	-	40,283	40,797	-	7,065
Feral Cat Program Donations	431	-	-	-	-	431
Fire Victims Assistance	128	-	42,917	41,615	-	1,430
Insurance Proceeds	60,632	-	-	-	-	60,632
Outside Lien Holders	98,330	146,374	1,491,496	1,583,987	54,075	98,138
P.O.A.A	178,330	10,940	58,071	82,981	540	163,820
Police Donations	1,059	-	-	-	-	1,059
Police Special Detail	(407,067)	-	1,880,189	2,174,343	-	(701,221)
Premium of Tax Lien Sale	7,645,000	1,159,000	1,099,800	5,356,900	237,800	4,309,100
State Unemployment Insurance	-	-	65,069	29,852	-	35,217
Recreation - Senior Citizens Trips	6,624	-	11,693	16,653	-	1,664
Recreation - Soccer Program	25	-	110,076	109,030	-	1,071
Recreation - Swimming Pool	4,348	213	6,847	4,535	2,129	4,744
Recreation - Softball	30	-	1,540	1,570	-	-
Recreation - Baseball	190	-	2,275	1,205	-	1,260
Recreation - Basketball	214	-	7,395	7,609	-	-
Recreation - Volleyball	6,938	-	10,092	15,452	-	1,578
Recreation - Flag Football	5	-	-	-	-	5
Recreation - Football	-	-	5,586	-	-	5,586
Recreation - T-Ball/Baseball/Softball	9,466	3,455	7,535	-	-	20,456
Storm Recovery Trust	370	-	-	-	-	370
Tree Planting Program	840	-	-	-	-	840
Fire Prevention Penalties Trust	10,226	-	318,309	309,261	-	19,274
Escrow Deposits	3,642,471	-	2,552,962	1,388,721	-	4,806,712
Recreation - Soccer - Umpire Fees	(390)	-	25,002	24,560	-	52
	<u>\$ 13,901,308</u>	<u>\$ 1,334,269</u>	<u>\$ 8,063,935</u>	<u>\$ 11,493,248</u>	<u>\$ 294,544</u>	<u>\$ 11,511,720</u>
	B	B-9			B-9	B
Cash Activity		B-5	\$ 8,063,935	\$ 11,265,676		
Interfund - Current Fund		B-7	-	227,572		
			<u>\$ 8,063,935</u>	<u>\$ 11,493,248</u>		

**CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT B-9

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE - OTHER TRUST FUND

	<u>Ref.</u>	
Balance, June 30, 2022	B	\$ 1,334,269
Increased by:		
Reserve for Other Trust Fund Activity	B-8	294,544
		<u>1,628,813</u>
Decreased by:		
Encumbrances Paid	B-8	1,334,269
		<u>1,334,269</u>
Balance, June 30, 2023	B	<u>\$ 294,544</u>

SCHEDULE OF CASH AND CASH EQUIVALENTS - CDA FUND

EXHIBIT B-10

	<u>Ref.</u>		
Balance, June 30, 2022	B		\$ 10,275
Increased by Cash Receipts:			
Due from HUD CDBG	B-11	\$ 1,710,001	
Reserve for Program Income	B-12	<u>6,265</u>	
			<u>1,716,266</u>
			1,726,541
Decreased by Cash Disbursements:			
Due to Current Fund	B-14		<u>1,720,419</u>
Balance, June 30, 2023	B		<u>\$ 6,122</u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT B-11

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

	<u>Ref.</u>		
Balance, June 30, 2022	B		\$ 1,927,225
Increased by:			
New Grant Authorization	B-13		<u>1,053,888</u>
			2,981,113
Decreased by:			
Cash Receipts	B-10	\$ 1,710,001	
Cancelled	B-13	<u>213</u>	
			<u>1,710,214</u>
Balance, June 30, 2023	B		<u><u>\$ 1,270,899</u></u>

SCHEDULE OF RESERVE FOR PROGRAM INCOME - CDA FUND

EXHIBIT B-12

	<u>Ref.</u>		
Balance, June 30, 2022			\$ -
Increased by:			
Cash Receipts	B-10		<u>6,265</u>
			6,265
Decreased by:			
Reserve for Expenditures	B-13		<u>6,265</u>
Balance, June 30, 2023			<u><u>\$ -</u></u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT B-13

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT - CDA FUND

Balance, June 30, 2022	<u>Ref.</u> B		\$ 1,754,443
Increased by:			
New Grant Authorization	B-11	\$ 1,053,888	
Reserve for Program Income	B-12	6,265	
Encumbrances	B	<u>37,022</u>	
			<u>1,097,175</u>
			2,851,618
Decreased by:			
Expenditures Paid by Current Fund	B-14	1,574,384	
Cancelled	B-11	213	
Encumbrances	B	<u>265,401</u>	
			<u>1,839,998</u>
Balance, June 30, 2023	B		<u><u>\$ 1,011,620</u></u>

SCHEDULE OF INTERFUNDS - CDA FUND

EXHIBIT B-14

	<u>Ref.</u>	<u>Due To / From Current Fund</u>
Decreased by:		
Cash Disbursements	B-10	<u>1,720,339</u>
Increased by:		
Expenditures Paid by Current Fund	B-13	<u>1,574,304</u>
Net Change in Interfunds		146,035
Balance, June 30, 2022		
Interfunds Payable	B	<u>146,035</u>
Balance, June 30, 2023	B	<u><u>\$ -</u></u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT B-15

SCHEDULE OF CASH AND CASH EQUIVALENTS - PUBLIC DEFENDER TRUST FUND

Balance, June 30, 2022	<u>Ref.</u> B	\$ 1,800
Increased by Cash Receipts:		
Reserve for Expenditures	B-16	8,180
		<u>9,980</u>
Decreased by Cash Disbursements:		
Due to Current Fund	B-17	9,980
		<u>9,980</u>
Balance, June 30, 2023	B	<u>\$ -</u>

SCHEDULE OF RESERVE FOR PUBLIC DEFENDER TRUST EXPENDITURES

EXHIBIT B-16

Balance, June 30, 2022	<u>Ref.</u> B	\$ 1,800
Increased by:		
Cash Receipts	B-15	8,180
		<u>9,980</u>
Decreased by:		
Paid by Current Fund	B-17	9,980
		<u>9,980</u>
Balance, June 30, 2023	B	<u>\$ -</u>

**CITY OF UNION CITY
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT B-17

SCHEDULE OF INTERFUNDS - PUBLIC DEFENDER TRUST FUND

	<u>Ref.</u>	<u>Current Fund</u>
Increased by:		
Cash Disbursements	B-15	\$ 9,980
Decreased by:		
Expenditures Paid by Current Fund	B-16	9,980
Net Change in Interfunds		-
Balance, June 30, 2022	B	-
Balance, June 30, 2023	B	\$ -

CITY OF UNION CITY

REPORT OF AUDIT

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

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-2

SCHEDULE OF CASH AND CASH EQUIVALENTS

Balance, June 30, 2022	<u>Ref.</u> C		\$ 13,209,703
Increased by:			
Premiums on Note Sales	C-1	\$ 162,451	
Due from Current Fund	C-6	<u>14,423,564</u>	
			<u>14,586,015</u>
			27,795,718
Decreased by:			
Due from Current Fund	C-6		<u>16,103,769</u>
Balance, June 30, 2023	C		<u><u>\$ 11,691,949</u></u>

CITY OF UNION CITY
 GENERAL CAPITAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023
 ANALYSIS OF CASH AND CASH EQUIVALENTS

	Balance June 30, 2022	Receipts		Disbursements		Transfers		Balance, June 30, 2023
		Miscellaneous	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 387,476	\$ 162,451	\$ -	\$ -	\$ 432,000	\$ -	\$ -	\$ 117,927
Capital Improvement Fund	3,101,464	-	-	-	11,151,878	9,583,225	-	1,532,811
Encumbrances Payable	5,786,423	-	-	-	5,786,423	4,552,110	-	4,552,110
Reserve for Debt Service	185,705	-	-	-	156,698	-	-	29,007
Due from Current Fund	-	14,423,564	(10,230,732)	16,103,769	9,139,225	588,698	-	-
Improvement Authorizations:								
Ord. 14-2011: Pave Bergenline Ave	-	-	(1,210)	-	-	-	-	1,210
Ord. 08-2013: Washington Park	74,064	-	47,394	-	26,670	-	-	-
Ord. 01-2014: Various Capital Improvements	(727,807)	-	450,637	-	34,850	1,214,047	-	753
Ord. 02-2014: Reconstruction of Summit Avenue	-	-	15,795	-	-	15,795	-	-
Ord. 2017-10: Improvements to 17th Street	-	-	18,343	-	-	18,343	-	-
Ord. 2017-13: Improvements to City Parks	-	-	10,200	-	12,775	33,620	-	10,645
Ord. 2017-18: Various Capital Improvements	1,725,823	-	876,098	-	651,316	342,195	-	540,604
Ord. 2017-19: Various Park Improvements	121,439	-	9,117	-	7,257	13,070	-	118,135
Ord. 2018-32: Various Road/Bridge Repairs	49,128	-	24,909	-	-	-	-	24,219
Ord. 2018-36: Various Capital Improvements	(2,045,892)	-	873,125	-	922,888	6,611,184	-	2,769,279
Ord. 2019-17: Lead Water Service Replacements	14,844	-	14,844	-	-	-	-	-
Ord. 2020-05: Various Capital Improvements	444,733	-	64,075	-	521,483	140,825	-	-
Ord. 2020-16: Various Road Improvements	82,615	-	38,770	-	16,940	2,875	-	29,780
Ord. 2020-25: Various Sidewalk Repairs	105,387	-	87,293	-	18,094	-	-	-
Ord. 2020-26: Road Repaving & Repairs	163,350	-	131,467	-	31,883	-	-	-
Ord. 2021-02: Various Improv. & Equipment	3,346,151	-	2,116,050	-	6,891,968	1,980,633	-	(3,681,234)
Reso. 2022-04-05: Summit & 38th Garage	394,800	-	623,615	-	159,522	765,700	-	377,363
Reso. 2022-06-08: Central Ave. Improvements	-	-	1,000,000	-	-	1,000,000	-	-
Ord. 2022-08: Acquisition of Equipment &	-	-	3,097,646	-	872,354	5,670,000	-	1,700,000
Ord. 2022-09: Reconstruct DPW Facility -	-	-	30,155	-	-	3,000,000	-	2,969,845
Ord. 2022-14: Acquisition of 3316	-	-	600,000	-	-	600,000	-	-
Ord. 2022-15: Portable Traffic Signals	-	-	98,878	-	-	98,878	-	-
Ord. 2023-58: Central Ave Street Lighting	-	-	-	-	532,844	533,000	-	156
Ord. 2023-62: Various Road Improvements	-	-	-	-	-	300,000	-	300,000
Ord. 2023-66: Various Improvements -	-	-	3,531	-	647,130	950,000	-	299,339
	\$ 13,209,703	\$ 14,586,015	\$ -	\$ 16,103,769	\$ 38,014,198	\$ 38,014,198	\$ 38,014,198	\$ 11,691,949
	<u>C</u>	<u>C-2</u>		<u>C-2</u>			<u>C</u>	

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>Ref.</u>		
Balance, June 30, 2022	C		\$ 74,211,465
Increased by:			
Capital Lease Issued	C-13		225,134
			<u>74,436,599</u>
Decreased by:			
General Serial Bond Payment	C-9	\$ 4,850,000	
Capital Lease Payment - HCIA	C-10	1,348,036	
Capital Lease Payment	C-13	374,170	
Green Acres Loan Payment	C-11	<u>74,953</u>	
			<u>6,647,159</u>
Balance, June 30, 2023	C		<u>\$ 67,789,440</u>
		General Serial Bonds	\$ 64,420,000
		Capital Lease Payable	1,181,923
		Capital Lease Payable - HCIA	1,451,732
		Green Acres Loans Payable	<u>735,785</u>
			<u>\$ 67,789,440</u>

CITY OF UNION CITY
 GENERAL CAPITAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Improvement Description and Authorizing Ordinance Number	Balance June 30, 2022	Decreased by:		Balance June 30, 2023	Bond Anticipation Notes	Analysis of Ending Balance	
		Cancelled Improvement Authorization	Note Funded by Budget Appropriation			Expended	Non-Financed Improvement Authorizations Unexpended
Ord. 2014-01: Various Capital Improvements	\$ 7,499,100	\$ -	\$ 283,400	\$ 7,215,700	\$ 7,215,700	\$ -	\$ -
Ord. 2017-10: Improvements to Veterans Park	598,500	-	27,300	571,200	571,200	-	-
Ord. 2017-26: Acquisition of Real Property	1,282,500	-	16,300	1,266,200	1,266,200	-	-
Ord. 2018-36: Various Capital Improvements	10,311,764	-	220,000	10,091,764	10,091,764	-	-
Ord. 2021-02: Various Capital Equip. and Improv.	10,000,000	225,287	-	9,774,713	3,648,136	3,681,234	2,445,343
	\$ 29,691,864	\$ 225,287	\$ 547,000	\$ 28,919,577	\$ 22,793,000	\$ 3,681,234	\$ 2,445,343
	C	C-7	C-12	C			

Ref.

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-6

SCHEDULE OF DUE FROM CURRENT FUND

	<u>Ref.</u>		
Balance, June 30, 2022	C		\$ -
Increased by:			
Cash Disbursements	C-2	\$ 16,103,769	
Appropriated in Current Budget for:			
Additional Transitional Aid Projects	C-14	5,670,000	
Capital Improvement Fund	C-14	<u>3,469,225</u>	
			<u>25,242,994</u>
			25,242,994
Decreased by:			
Anticipated as Revenue in Current Budget:			
Capital Surplus Anticipated in Budget	C-1	432,000	
Reserve for Retirement of Debt Service	C-15	156,698	
Cash Receipts	C-2	14,423,564	
Improvement Authorizations Paid by Current	C-7	<u>10,230,732</u>	
			<u>25,242,994</u>
Balance, June 30, 2023	C		<u><u>\$ -</u></u>

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-8

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, June 30, 2022	<u>Ref.</u> C	\$ 5,786,423
Increased by:		
Charges to Improvement Authorizations	C-7	<u>4,552,110</u>
		10,338,533
Decreased by:		
Reversal of Prior Year Balance	C-7	<u>5,786,423</u>
Balance, June 30, 2023	C	<u><u>\$ 4,552,110</u></u>

CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Amount	Maturities of Bonds Outstanding		Interest Rate %	Balance June 30, 2022	Decrease	Balance June 30, 2023
			Date	Amount				
ERI Pension Bonds	12/15/2002	\$ 15,735,000	01/01/2024	\$ 375,000	6.250	\$ 9,825,000	\$ 315,000	\$ 9,510,000
			01/01/2025	475,000	6.250			
			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	07/15/2023	725,000	2.500	7,150,000	705,000	6,445,000
			07/15/2024	745,000	2.500			
			07/15/2025	770,000	2.500			
			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			
2018 Refunding Bonds	09/14/2017	18,805,000	11/01/2023	3,875,000	5.000	7,705,000	3,830,000	3,875,000
General Obligation Bonds, Series 2021 (Qualified) (Callable)	01/21/2021	37,845,000	08/01/2024	2,855,000	0.050	37,845,000	-	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						

CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT C-9
Sheet 2 of 2

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Amount	Maturities of Bonds Outstanding		Interest Rate %	Balance June 30, 2022	Decrease	Balance June 30, 2023
			Date	Amount				
General Obligation Bonds, Taxable Series 2021 (Qualified) (Non-Callable)	01/21/2021	\$ 6,745,000	08/01/2024	\$ 855,000	1.550	\$ 6,745,000	\$ -	\$ 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			
				<u>Ref.</u>		\$ 69,270,000	\$ 4,850,000	\$ 64,420,000
						<u>C</u>	<u>C-4</u>	<u>C</u>

CITY OF UNION CITY
 GENERAL CAPITAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SCHEDULE OF CAPITAL LEASE PAYABLE - HCIA

Purpose	Date of Issue	Original Amount	Maturities of Lease Obligations		Interest Rate %	Balance June 30, 2022	Lease Payments	Balance June 30, 2023
			Date	Amount				
NHRFR 2004	01/13/2004	\$ 4,766,625	01/01/2024	\$ 585,375	5.330	\$ 1,120,575	\$ 535,200	\$ 585,375
NHRFR 2006 A	01/12/2006	1,244,340	01/01/2024	122,093	4.200	239,168	117,075	122,093
NHRFR 2006 B	01/12/2006	1,152,353	01/01/2024	118,748	5.400	230,806	112,058	118,748
NHRFR 2011 A	10/18/2011	1,592,220	09/01/2023	175,613	5.700	342,863	167,250	175,613
NHRFR 2011 B	10/18/2011	3,478,800	09/01/2023	449,903	8.000	866,356	416,453	449,903
					<u>Ref.</u>	<u>\$ 2,799,768</u>	<u>\$ 1,348,036</u>	<u>\$ 1,451,732</u>
						<u>C</u>	<u>C-4</u>	<u>C</u>

CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT C-11
Sheet 1 of 2

SCHEDULE OF GREEN ACRES LOANS PAYABLE

Purpose	Date of Issue	Original Amount	Maturities of Loan Obligations		Interest Rate %	Balance June 30, 2022	Loan Payments	Balance June 30, 2023
			Date	Amount				
Swimming Pool Improvements	12/10/2010	\$ 800,000	09/10/2023	\$ 21,425	2.00	\$ 387,086	\$ 42,214	\$ 344,872
			03/10/2024	21,639				
			09/10/2024	21,855				
			03/10/2025	22,074				
			09/10/2025	22,295				
			03/10/2026	22,518				
			09/10/2026	22,743				
			03/10/2027	22,970				
			09/10/2027	23,200				
			03/10/2028	23,432				
			09/10/2028	23,666				
			03/10/2029	23,903				
			09/10/2029	24,142				
			03/10/2030	24,383				
09/10/2030	24,627							
17th Street Park Improvements	12/10/2010	70,000	09/10/2023	\$ 1,875	2.00	33,869	3,693	30,176
			03/10/2024	1,893				
			09/10/2024	1,912				
			03/10/2025	1,931				
			09/10/2025	1,951				
			03/10/2026	1,970				
			09/10/2026	1,990				
			03/10/2027	2,010				
			09/10/2027	2,030				
			03/10/2028	2,050				
			09/10/2028	2,071				
			03/10/2029	2,092				
			09/10/2029	2,112				
			03/10/2030	2,134				
09/10/2030	2,155							

CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT C-11
Sheet 2 of 2

SCHEDULE OF GREEN ACRES LOANS PAYABLE

Purpose	Date of Issue	Original Amount	Maturities of Loan Obligations		Interest Rate %	Balance June 30, 2022	Loan Payments	Balance June 30, 2023
			Date	Amount				
Park Avenue Playground	05/16/2014	\$ 590,143	08/16/2023	\$ 14,741	2.00	\$ 389,783	\$ 29,046	\$ 360,737
			02/16/2024	14,888	2.00			
			08/16/2024	15,037	2.00			
			02/16/2025	15,188	2.00			
			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			
						\$ 810,738	\$ 74,953	\$ 735,785
					Ref.	C	C-4	C

CITY OF UNION CITY
 GENERAL CAPITAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023
 SCHEDULE OF BOND ANTICIPATION NOTES

Improvement Description and Authorizing Ordinance Number	Original		Date of Issue	Maturity	Interest Rate	Balance June 30, 2022	Notes Renewed	Reclassify and Adjust	Decreased by:		Balance June 30, 2023
	Issue Amount	Issue Date							Notes Refunded	Principal Paydown	
HCIA Tax-Exempt Pooled Notes, Series 2022B-1											
2014-01 Various Capital Improvements/Acquisition of Various Capital Equipment	\$ 739,000	09/20/2019	08/05/2022	08/04/2023	3.00%	\$ -	\$ 711,600	\$ -	\$ -	-	\$ 711,600
2017-10 Improvements to 17th Street	598,500	09/20/2019	08/05/2022	08/04/2023	3.00%	-	571,200	-	-	-	571,200
2017-26 Acquisition of Real Property	1,282,500	09/20/2019	08/05/2022	08/04/2023	3.00%	-	1,266,200	-	-	-	1,266,200
2018-36 Various Improvements and Acquisition of Capital Equipment	5,000,000	09/20/2019	08/05/2022	08/04/2023	3.00%	-	4,780,000	-	-	-	4,780,000
HCIA Tax-Exempt Pooled Notes, Series 2021C-1											
2014-01 Various Capital Improvements/Acquisition of Various Capital Equipment	739,000	09/20/2019	08/17/2021	08/16/2022	1.00%	739,000	-	-	-	711,600	27,400
2017-10 Improvements to 17th Street	598,500	09/20/2019	08/17/2021	08/16/2022	1.00%	598,500	-	-	-	571,200	27,300
2017-26 Acquisition of Real Property	1,282,500	09/20/2019	08/17/2021	08/16/2022	1.00%	1,282,500	-	-	-	1,266,200	16,300
2018-36 Various Improvements and Acquisition of Capital Equipment	5,000,000	09/20/2019	08/17/2021	08/16/2022	1.00%	5,000,000	-	-	-	4,780,000	220,000
HCIA Tax-Exempt Pooled Notes, Series 2022A-1											
2021-02 Various Capital Equipment	3,648,136	04/18/2022	04/18/2022	04/17/2023	3.00%	10,000,000	-	(6,351,864)	-	3,648,136	-
2018-36 Various Capital Equipment	5,311,764	04/18/2022	04/18/2022	04/17/2023	3.00%	-	-	5,311,764	-	5,311,764	-
2014-01 Various Capital Improvements/Acquisition of Various Capital Equipment	1,040,100	03/07/2019	04/18/2022	04/17/2023	3.00%	-	-	1,040,100	-	1,040,100	-
2014-01 Various Capital Improvements/Acquisition of Various Capital Equipment	7,000,000	07/06/2015	04/18/2022	04/17/2023	3.00%	5,720,000	-	-	-	5,464,000	256,000
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	03/07/2019	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	-	-	-	5,464,000
					Ref.	\$ 23,340,000	\$ 22,793,000	\$ -	\$ -	\$ 22,793,000	\$ 547,000
						C	contra			contra	C-5
						\$ 7,620,000	\$ -	\$ -	\$ -	\$ -	\$ -
					Series 2021C-1	15,720,000					Series 2023A
					Series 2022A-1	\$ 23,340,000					Series 2022B-1
											\$ 7,329,000
											\$ 22,793,000

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
SCHEDULE OF CAPITAL LEASE PAYABLE**

EXHIBIT C-13

Purpose	Date of Issue	Original Amount	Maturities of Lease Obligations		Interest Rate %	Balance June 30, 2022	Increased by:		Decreased by:		Balance June 30, 2023
			Date	Amount			New Leases	Budget Appropriation			
Street Sweeper	11/25/2021	248,357	11/25/2023	\$ 48,187	2.99	248,357	-	46,787	-	201,570	
			11/25/2024	49,628	2.99						
			11/25/2025	51,113	2.99						
			11/25/2026	52,642	2.99						
Ambulance	07/29/2019	289,970	07/29/2023	60,051	3.68	180,231	-	57,918	-	122,313	
			07/29/2024	62,262	3.68						
Ambulance	11/25/2021	319,776	11/25/2023	62,045	2.99	319,776	-	60,243	-	259,533	
			11/25/2024	63,900	2.99						
			11/25/2025	65,810	2.99						
			11/25/2026	67,778	2.99						
Sanitation Truck	09/20/2019	192,142	Matured in Fiscal Year 2023.			66,390	-	66,390	-	-	
Various Vehicles	08/20/2020	35,411	05/01/2024	7,210	*	21,644	-	6,907	-	14,737	
			05/01/2025	7,527	*						
Various Vehicles	08/20/2020	397,674	11/01/2023	80,047	*	240,257	-	77,042	-	163,215	
			11/01/2024	83,168	*						
Tahoe and Interceptors	11/15/2021	274,933	04/01/2024	53,668	*	218,893	-	51,706	-	167,187	
			04/01/2025	55,703	*						
			04/01/2026	57,816	*						
Ford Explorer	03/23/2022	35,411	09/01/2023	6,507	*	35,411	-	7,177	-	28,234	
			09/01/2024	6,862	*						
			09/01/2025	7,235	*						
			09/01/2026	7,630	*						
Senior Bus and Two Vehicles	08/01/2022	225,134	08/01/2023	41,009	*	-	225,134	-	-	225,134	
			08/01/2024	42,453	*						
			08/01/2025	44,754	*						
			08/01/2026	47,180	*						
			08/01/2027	49,738	*						
					Ref.	\$ 1,330,959	\$ 225,134	\$ 374,170	\$ 1,181,923		
						C	C-4	C-4	C		

**CITY OF UNION CITY
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-14

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, June 30, 2022	<u>Ref.</u> C		\$ 3,101,464
Increased by:			
2023 Budget Appropriation	C-6	\$ 3,469,225	
2023 Additional Transitional Aid	C-6	5,670,000	
Cancelled Ord. 2020-05	C-7	<u>444,000</u>	
			<u>9,583,225</u>
			12,684,689
Decreased by:			
Improvement Authorizations			
Ord. 2022-08: Acquisition of Equipment &		5,670,000	
Ord. 2022-09: Reconstruct DPW Facility -		3,000,000	
Ord. 2022-14: Acquisition of 3316		600,000	
Ord. 2022-15: Portable Traffic Signals		98,878	
Ord. 2023-58: Central Ave Street Lighting		533,000	
Ord. 2023-62: Various Road Improvements		300,000	
Ord. 2023-66: Various Improvements -		<u>950,000</u>	
	C-7		<u>11,151,878</u>
Balance, June 30, 2023	C		<u>\$ 1,532,811</u>

SCHEDULE OF RESERVE FOR RETIREMENT OF DEBT SERVICE

EXHIBIT C-15

Balance, June 30, 2022	<u>Ref.</u> C		\$ 185,705
Decreased by:			
Anticipated as Revenue in Current Budget	C-6		<u>156,698</u>
Balance, June 30, 2023	C		<u>\$ 29,007</u>

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Improvement Description and Authorizing Ordinance Number	Balance June 30, 2022	Reclassify and Adjust	Decreased by: Improvement Authorization Cancelled	Balance June 30, 2023
Ord. 2014-01: Various Capital Improvements and Acquisition of Various Capital Equipment	\$ 1,040,100	\$ (1,040,100)	\$ -	\$ -
Ord. 2017-10: Improvements to 17th Street	-	-	-	-
Ord. 2017-26: Acquisition of Real Property	-	-	-	-
Ord. 2018-36: Various Capital Equipment and Improvements	5,311,764	(5,311,764)	-	-
Ord. 2021-02: Various Capital Equipment and Improvements	-	6,351,864	225,287	6,126,577
	<u>\$ 6,351,864</u>	<u>\$ -</u>	<u>\$ 225,287</u>	<u>\$ 6,126,577</u>
<u>Ref.</u>	C	C-5	C-5	C

CITY OF UNION CITY

REPORT OF AUDIT

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

**CITY OF UNION CITY
GENERAL FIXED ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT D-1

SCHEDULE OF CHANGES IN FIXED ASSETS BY CLASS

	Balance June 30, 2022	Additions	Dispositions	Balance June 30, 2023
Land	\$ 20,351,200	\$ -	\$ -	\$ 20,351,200
Buildings and Improvements	50,932,213	392,196	-	51,324,409
Machinery and Equipment	15,317,057	792,389	-	16,109,446
	<u>\$ 86,600,470</u>	<u>\$ 1,184,585</u>	<u>\$ -</u>	<u>\$ 87,785,055</u>
<u>Ref.</u>	D	D-2	D-2	D

SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS

EXHIBIT D-2

Balance, June 30, 2022	<u>Ref.</u> D	\$ 86,600,470
Increased by: Additions	D-1	<u>1,184,585</u>
Balance, June 30, 2023	D	<u>\$ 87,785,055</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 June 30, 2023 and 2022, 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 December 28, 2023. The opinion to those financial statements is followed by an emphasis of matter paragraph regarding the City’s dependence on Transitional Aid and the potential material impact on the City should the Transitional Aid be reduced.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2023-001 that we consider to be a material weakness.

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.

The City's Response to Findings

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

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
December 28, 2023

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 June 30, 2023. The City’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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
December 28, 2023

**CITY OF UNION CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)							
07/01/2022 - 06/30/2023	14.218	Direct Award	\$ -	\$ 60,936	\$ 717,820	725,295	
07/01/2021 - 06/30/2022	14.218	Direct Award	1,087,008	-	607,712	648,680	
07/01/2020 - 06/30/2021	14.218	Direct Award	1,059,939	-	168,390	1,130,436	
07/01/2019 - 06/30/2020	14.218	Direct Award	1,019,605	-	49,887	1,470,574	
07/01/2018 - 06/30/2019	14.218	Direct Award	1,003,951	-	-	1,064,500	
Program: COVID-19 CDBG-CV							
07/01/2020 - 06/30/2021	14.218	Direct Award	1,200,000	-	30,495	702,783	
Program Income							
				-	80	160	
Total Assistance Listing No. 14.218				60,936	1,574,384		
Total CDBG Entitlement Grants Cluster				60,936	1,574,384		
Total United States Department of Housing and Urban Development				\$ 60,936	\$ 1,574,384		
United States Department of Justice							
Passed through: Not applicable							
Cluster: Not Applicable							
Program: Bulletproof Vest Partnership Program							
04/01/2021 - 08/31/2023	16.607	Direct Award	\$ 5,515	\$ -	\$ 3,826	\$ 5,515	
04/01/2022 - 08/31/2024	16.607	Direct Award	13,640	-	5,856	5,856	
Total Assistance Listing No. 16.607				-	9,682		
Program: COPS Technology & Equipment							
03/15/2022 - 03/31/2024	16.710	Direct Award	1,100,000	-	241,027	241,027	
Total Assistance Listing No. 16.710				-	241,027		
Program: Body Worn Camera Policy and Implementation							
Cumulative and Ongoing		16.835	Direct Award	476,892	-	32,510	51,140
Total Assistance Listing No. 16.835				-	32,510		
Total United States Department of Justice				\$ -	\$ 283,219		
United States Department of Transportation							
Passed through NJ Department of Law and Public Safety							
Program: National Highway Traffic Safety Association - Click it or Ticket							
05/22/2023 - 06/25/2023	20.600	100-066-1160-165	\$ 14,000	\$ -	\$ 6,090	\$ 6,090	
05/22/2022 - 06/26/2022	20.600	100-066-1160-165	14,000	-	9,200	14,000	
Total Assistance Listing No. 20.600				-	15,290		
Cluster: Highway Safety							
Program: National Priority Safety Programs							
Non-Motorized Safety							
Pedestrian Safety Grant							
10/01/2021 - 09/30/2022	20.616	100-066-1160-***	35,000	-	33,000	33,000	
Program: Distracted Driving Crackdown Grant							
04/01/2023 - 04/30/2023	20.616	100-066-1160-***	12,250	-	12,250	12,250	
Program: Drive Sober or Get Pulled Over							
08/19/2022 - 09/05/2022	20.616	100-066-1160-***	8,750	-	1,740	1,740	
Program: Drive Sober or Get Pulled Over Holiday Crackdown							
12/02/2022 - 01/01/2023	20.616	100-066-1160-***	10,500	-	8,120	8,120	
Total Assistance Listing No. 20.616				-	55,110		
Total Highway Safety Cluster				-	55,110		
Total United States Department of Transportation				\$ -	\$ 70,400		

CITY OF UNION CITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	\$ 13,309,091	\$ -	\$ 3,154,534	\$ 14,008,918
Total Assistance Listing No. 21.027					<u>3,154,534</u>	
Total United States Department of Treasury				<u>\$ -</u>	<u>\$ 3,154,534</u>	
United States Department of Health and Human Services						
Passed through: NJDepartment of Health						
Cluster: Not Applicable						
Program: COVID-19 Vaccination Supplemental Funding						
07/01/2021 - 06/30/2022	93.268	046-4230-100-558	\$ 50,000	\$ 5,294	\$ 50,000	\$ 50,000
07/01/2022 - 06/30/2023	93.268	046-4230-100-558	50,000		48,062	48,062
Total Assistance Listing No. 93.268					<u>53,356</u>	
Passed through: Not applicable						
Cluster: Not Applicable						
Program: Drug Free Community Programs (FAIN: H79SP020734)						
09/30/2021 - 08/31/2022	93.276	Direct Award	125,000	-	40,062	125,000
09/30/2022 - 09/29/2023	93.276	Direct Award	125,000	-	97,507	97,507
Total Assistance Listing No. 93.276					<u>137,569</u>	
Passed through: NJDepartment of Health						
Cluster: Not Applicable						
Program: Strengthening Local Public Health Capacity						
07/01/2021 - 06/30/2022	93.323	100-046-4230-***	291,042	-	40,830	264,458
07/01/2022 - 06/30/2023	93.323	100-046-4230-***	274,735	-	254,271	254,271
Total Assistance Listing No. 93.276					<u>295,101</u>	
Total United States Department of Health and Human Services				<u>\$ -</u>	<u>\$ 486,026</u>	
TOTAL FEDERAL AWARDS				<u>\$ 60,936</u>	<u>\$ 5,568,563</u>	

N/A - Information Not Available or Not Applicable

CITY OF UNION CITY
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Schedule 2
 Sheet 1 of 2

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					
07/01/2019 - 06/30/2021	4900-765-004	\$ 84,097	\$ -	\$ 405	\$ 84,454
07/01/2020 - 09/30/2022	4900-765-004	89,567	-	275	89,567
07/01/2021 - 09/30/2023	4900-765-004	93,039	-	77,827	77,827
Total Clean Communities			-	78,507	
Program: Recycling Tonnage					
07/01/2020 - 06/30/2021	100-042-4910-224	122,918	-	122,918	122,918
07/01/2019 - 06/30/2020	100-042-4910-224	95,936	-	4,809	4,809
07/01/2021 - 06/30/2022	100-042-4910-224	134,562	-	134,562	134,562
Total Recycling Tonnage			-	262,289	
Program: Clean Energy Electric Vehicle Tourism Grant					
06/01/2022 - 05/30/2023	*	42,000	-	11,223	11,223
Total Clean Energy Electric Vehicle Tourism Grant			-	11,223	
Program: Green Acres Trust:					
Green Acres - 4100 Palisade Ave.					
06/17/2022	*	\$ 1,000,000	-	15,200	\$ 15,200
Green Acres - Reservoir Purchase					
09/01/2017 - 09/01/2018	100-072-4870-038	1,000,000	-	80,618	80,618
06/20/2016 - 04/07/2017	4800-DJ-2561-0910-01-033	470,000	-	177,382	470,000
Total Green Acres Trust			-	273,200	
Total NJ Department of Environmental Protection			\$ -	\$ 625,219	
NJ Department of Treasury					
Passed through the County of Hudson:					
Program: Municipal Alliance to Prevent Alcoholism and Drug Abuse					
07/01/2022 - 06/30/2023	100-082-C001-004	\$ 21,005	\$ -	\$ 21,005	\$ 21,005
07/01/2021 - 06/30/2022	100-082-C001-004	21,005	-	1,599	21,005
07/01/2022 - 06/30/2023	406-7-2022	7,616	-	7,616	7,616
Total Municipal Alliance to Prevent Alcoholism and Drug Abuse			-	22,604	
Total NJ Department of Treasury			\$ -	\$ 22,604	
NJ Department of Law and Public Safety					
Passed through: Not applicable					
Program: Body Armor Replacement Fund					
01/01/2022 - 12/31/2026	718-066-1020-***	\$ 7,000	\$ -	\$ 7,000	\$ 7,000
01/01/2023 - 12/31/2027	718-066-1020-***	9,471	-	2,682	2,682
Total Body Armor Replacement Fund			-	9,682	
Drunk Driving Enforcement Fund					
07/01/2017 - 06/30/2018	6400-100-078-6400-000-YYY	20,850	-	435	18,205
Total Drunk Driving Enforcement Fund			-	435	
Total NJ Department of Law and Public Safety			\$ -	\$ 10,117	

CITY OF UNION CITY
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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-6010	\$ 720,000	\$ -	\$ 78,098	\$ 775,453
Program: Others					
Palisade Ave Section 3					
12/01/2020 - 06/30/2023	2021-480-078-6320-AOG-6010	3,500,000	-	935,927	3,500,000
Central Ave Corridor Improvements - Local Aid Infrastructure					
07/01/2021 - 06/30/2022	2014-480-078-6320-ALM-6010	900,000	-	472,377	900,000
13th, 42nd and 47th Streets - Municipal Aid Program					
07/01/2021 - 06/30/2022	480-078-6010-***	862,176	-	862,176	862,176
13th, 37th and 38th Streets - Municipal Aid Program					
07/01/2022 - *	480-078-6010-***	881,990	-	170,066	170,066
Total Combined Transportation Programs				<u>2,518,644</u>	
Total NJ Department of Transportation			<u>\$ -</u>	<u>\$ 2,518,644</u>	
NJ Department of Community Affairs:					
Passed through: Not applicable					
Program: Urban Enterprize Zone (UEZ) Assistance Fund					
7/1/2021 - *	2023-022-8030-763-041	\$ 885,746	\$ -	\$ 360,129	\$ 360,129
				<u>-</u>	<u>360,129</u>
Total NJ Department of Community Affairs			<u>\$ -</u>	<u>\$ 360,129</u>	
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ -</u>	<u>\$ 3,536,713</u>	

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 JUNE 30, 2023**

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 year ended June 30, 2023. 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 year ended June 30, 2023. 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 JUNE 30, 2023**

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 fiscal year ended June 30, 2023 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.

**CITY OF UNION CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

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>✓</u>	<u>Yes</u>	<u>Finding 2023-001</u>
2) Significant deficiency(ies) identified?		<u>Yes</u>	<u>✓</u> <u>No</u>
Noncompliance material to basic financial statements noted?		<u>Yes</u>	<u>✓</u> <u>No</u>

Federal Awards

Internal Control over Major Federal Programs:			
1) Material weakness(es) identified?		<u>Yes</u>	<u>✓</u> <u>No</u>
2) Significant deficiency(ies) identified?		<u>Yes</u>	<u>✓</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>✓</u> <u>No</u>

Identification of major Federal Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.710	- Program: COPS Technology & Equipment
21.027	- ARP-State and Local Fiscal Recovery Funds

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

State Financial Assistance

Internal control over state programs:			
1) Material weakness(es) identified?		<u>Yes</u>	<u>✓</u> <u>No</u>
2) Significant deficiency(ies) identified?		<u>Yes</u>	<u>✓</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>✓</u> <u>No</u>

Identification of major State programs

<u>Program Code</u>	<u>Name of State Program</u>
100-042-4910-224	- Recycling Tonnage
2023-022-8030-763-041	- Urban Enterprise Zone
480-078-6010-***	- NJ Department of Transportation:

Dollar threshold used to distinguish between Type A and Type B Programs:	<u>\$</u> <u>750,000</u>
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**CITY OF UNION CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section II - Schedule of Financial Statement Findings

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

Finding 2023-001

Material Weakness in Internal Control over Financial Reporting

Criteria:	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.
Condition:	During the year ended June 30, 2023 the City expended \$1,458,476 in excess of amounts appropriation reserves available.
Context:	The City's 2023 subsidiary budget and appropriation reserve ledgers identified the over-expenditures as noted in Exhibit A-15.
Effect:	All over-expenditures must be included as an item of appropriation in future budgets of the City. This appropriation is subject to the 1977 Appropriation Cap and 2010 Levy Cap.
Cause:	The City's internal controls are not effective as they relate to the timeliness of the determination of availability of funds prior to the ordering or payment of goods and services or incurring of salaries and wages. The over-expenditure of funds is a repeat finding.
Questioned Costs:	None.
Recommendation:	The City should implement or strengthen procedures to determine the availability of funds prior to the ordering or payment of goods and services.

Views of Responsible Officials of the City (unaudited):

Due to unforeseen circumstances and the global pandemic, the City incurred some expenses that were not included in the original adopted budget.

**CITY OF UNION CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.)

None identified.

**CITY OF UNION CITY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND
QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

Status of Prior Year Findings

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

Finding: 2022-001

Material Weakness in Internal Control over Financial Reporting

Condition: During the year ended June 30, 2022 the City expended \$3,808,393 in excess of the amounts appropriated in its fiscal year 2022 budget and \$696,551 in excess of amounts appropriation reserves available, for total overexpenditures of \$4,504,944.

Current Year Status: The City has incurred over-expenditures of \$1,458,476 during fiscal year ended June 30, 2023. See Finding 2023-001.

CITY OF UNION CITY

REPORT OF AUDIT

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

**CITY OF UNION CITY
GENERAL COMMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 \$40,000. 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 not elected to increase its bid threshold to over \$17,500.

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 for the following items:

- 2911 Bergenline Ave Renovations (PD Annex)
- Sidewalk Repair Program
- Fire/Water Heater Cleaning Maintenance
- 12th & Morris to 14th Street Improvements
- Snow Removal
- Ambulance Billing Services
- Road Resurfacing Project
- New Vinyl Flooring
- Pools and Spray Grounds Maintenance
- Electrical Repairs
- Improvements to 13th, 37th and 38th Streets
- Bergenline Ave Streetscape Phase II
- New Entry Ramp
- Tree Trimming
- NJDOT Road Repairs
- Housing Authority Parking Lot Improvements
- Elevator Maintenance Services
- Landscape Maintenance Program
- New Chain Link Fence
- Flower's Service
- Plumbing Repairs

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 \$17,500 “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. We did note, however, instances where accumulated purchases from individual vendors totaled in excess of \$17,500 without public bidding or purchasing through a state contract.

**CITY OF UNION CITY
GENERAL COMMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.”

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 \$2,625 or more, within the terms of N.J.S.A. 40A:11-6.1.

**CITY OF UNION CITY
GENERAL COMMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

TAXES AND TAX TITLE LIENS

The taxes outstanding at June 30, 2023 included taxes from the fiscal years ended June 30, 2023 and prior. The following comparison is made of the number of tax title liens receivable:

<u>Year Ended June 30,</u>	<u>Number of Liens</u>
2023	2
2022	2
2021	2
2020	2
2019	3
2018	3
2017	3
2016	4
2015	7
2014	8

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 minutes did not indicate change orders which exceeded 20% of the originally awarded contract during the fiscal year ended June 30, 2023.

**CITY OF UNION CITY
COMMENTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINDING 2023-001:

This finding is detailed in Section II – Schedule of Financial Statement Findings, found on page 120.

FINDING 2023-002:

The City did not provide resolutions of contract awards for several vendors requested.

Recommendation: The City must make all resolutions awarding contracts to vendors available for audit review.

FINDING 2023-003:

Audit testing of the Municipal Court included a review of 25 voided tickets for proper approvals. Of the 25 selected, 2 were not available for audit review.

Recommendation: The Municipal Court should retain support for voided tickets.

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*.
