

**UNION COUNTY IMPROVEMENT AUTHORITY**  
**(A COMPONENT UNIT OF THE COUNTY OF UNION)**  
**COUNTY OF UNION, NEW JERSEY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**WITH INDEPENDENT AUDITOR'S REPORT**

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(A COMPONENT UNIT OF THE COUNTY OF UNION)  
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**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
DAVID BOTTGE, CPA, RMA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
KARI FERGUSON, CPA, RMA, CMFO, PSA  
ROBERT C. MCNINCH, CPA, CFE, PSA  
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE  
POMPTON LAKES, NEW JERSEY 07442  
PHONE: (973)-835-7900  
FAX: (973)-835-6631  
EMAIL: [OFFICE@W-CPA.COM](mailto:OFFICE@W-CPA.COM)  
[WWW.W-CPA.COM](http://WWW.W-CPA.COM)

**INDEPENDENT AUDITOR'S REPORT**

Honorable Chairperson and Commissioners  
Union County Improvement Authority  
10 Elizabethtown Plaza, 5<sup>th</sup> Floor  
Elizabeth, NJ 07207

**Report on the Financial Statements**

***Opinion***

We have audited the accompanying statement of net position of the Union County Improvement Authority as of December 31, 2024, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Union County Improvement Authority as of December 31, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (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 Union County Improvement Authority 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 opinion.



***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Union County Improvement Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government 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, including omissions, 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 GAAS and Government 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 Union County Improvement Authority'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 Union County Improvement Authority'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***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information listed in the table of contents and the schedule of *expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the N.J. OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 supplementary information listed in the table of contents and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the N.J. OMB Circular 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Management is responsible for the other information included in the annual report. The other information comprises the letter of comments and recommendations 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 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 May 15, 2025 on our consideration of the Union County Improvement Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Union County Improvement Authority's internal control over financial reporting and compliance.

*Wielkottz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

May 15, 2025



**Required Supplementary Information - Part I**

## **Management Discussion and Analysis**

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

*As management of the Union County Improvement Authority, we offer the Authority's financial statements this narrative overview and analysis of the Authority's financial performance during the fiscal year ended December 31, 2024. Please read this analysis in conjunction with the Authority's financial statements, which follow this section.*

**Financial Highlights**

- The Authority's liabilities exceeded its assets by \$(8,379,804) (net position) for the fiscal year reported. This compares to the previous year when liabilities exceeded assets by \$(11,563,668).
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$(18,337,160) includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Restricted net position of \$1,771,054 are restricted by constraints imposed from outside the Authority such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net position of \$8,186,302 represent the portion available to maintain the Authority's continuing obligations to citizens and creditors.
- Total assets of the Authority increased by \$22,114,730 to \$77,496,832 during the fiscal year largely due to cash received from the new debt issuances.

**Overview of the Financial Statements**

This annual report includes this management discussion, the independent auditor's report and the basic financial statements of the Authority. The financial statements also include notes that explain in more detail some of the information in the financial statements.

*Required Financial Statements*

The financial statements of the Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The *Statement of Net Position* includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

**UNION COUNTY IMPROVEMENT AUTHORITY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses and Changes in Net Position*. This statement measures the results of the Authority's operations over the past year and can be used to determine whether the Authority has recovered all its costs through user fees and other charges, operational stability and credit worthiness.

The final required financial statement is the *Statement of Cash Flows*. This statement reports cash receipts and cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as what operational sources provided cash, what was the cash used for, and what was the change in cash balance during the reporting period.

*Notes to the Financial Statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the financial statements. The notes to the financial statements begin immediately following the basic financial statements.

*Other Information*

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information. This supplementary information follows the notes to the financial statements.

**Financial Analysis of the Authority**

One of the most important questions asked about the Authority's finances is "Is the Authority as a whole better able to fulfill its mission as a result of this year's activities?" The *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes in Net Position* report information about the Authority's activities in a way that will help answer this question. These two statements report net position of the Authority and the changes in those assets. The reader can think of the Authority's net position – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider the non-financial factors such as changes in economic conditions, population growth, development, and new or changed government regulation.

**UNION COUNTY IMPROVEMENT AUTHORITY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Net Position**

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Authority as a whole.

The Authority's net position at fiscal year-end is \$(8,379,804). This is a \$3,183,864 increase over last year's net position of \$(11,563,668). A summary of the Authority's statement of net position is presented in the following table:

**Condensed Statement of Net Position**

	<u>FY 2024</u>	<u>FY 2023</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Assets:</b>				
Current and Other Assets	\$66,645,363	\$40,182,997	\$26,462,366	65.85%
Noncurrent Assets	<u>10,851,469</u>	<u>15,199,105</u>	<u>(4,347,636)</u>	(28.60)%
Total Assets	<u>77,496,832</u>	<u>55,382,102</u>	<u>22,114,730</u>	39.93%
<b>Liabilities:</b>				
Current Liabilities	1,765,574	2,179,559	(413,985)	(18.99)%
Noncurrent Liabilities	<u>73,691,492</u>	<u>52,718,880</u>	<u>20,972,612</u>	39.78%
Total Liabilities	<u>75,457,066</u>	<u>54,898,439</u>	<u>20,558,627</u>	37.45%
<b>Deferred Inflows:</b>				
Other Deferred Inflows	<u>10,419,570</u>	<u>12,047,331</u>	<u>(1,627,761)</u>	(13.51)%
Total Deferred Inflows	<u>10,419,570</u>	<u>12,047,331</u>	<u>(1,627,761)</u>	(13.51)%
<b>Net Position:</b>				
Net Investment in Capital Assets	(18,337,160)	(19,501,377)	1,164,217	(5.97)%
Restricted	1,771,054	1,714,872	56,182	3.28%
Unrestricted	<u>8,186,302</u>	<u>6,222,837</u>	<u>1,963,465</u>	31.55%
Total Net Position	<u>\$(8,379,804)</u>	<u>\$(11,563,668)</u>	<u>\$3,183,864</u>	(27.53)%

**UNION COUNTY IMPROVEMENT AUTHORITY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Net Position (Continued)**

While the *Statement of Net Position* shows the change in financial position of net position, the *Statement of Revenues, Expenses and Changes in Net Position* provides answers as to the nature and source of these changes. As can be seen in the following table, net position increased by \$3,183,864.

**Condensed Statement of Revenues, Expenses  
And Changes in Net Position**

	<u>FY 2024</u>	<u>FY 2023</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Revenues:</b>				
Operating Revenues	<u>\$5,372,570</u>	<u>\$4,586,420</u>	<u>\$786,150</u>	17.14%
Total Operating Revenues	<u>5,372,570</u>	<u>4,586,420</u>	<u>786,150</u>	17.14%
<b>Expenses:</b>				
Operating Expense	<u>1,730,717</u>	<u>1,606,641</u>	<u>124,076</u>	7.72%
Total Operating Expenses	<u>1,730,717</u>	<u>1,606,641</u>	<u>124,076</u>	7.72%
<b>Operating Income (Loss)</b>	<u>3,641,853</u>	<u>2,979,779</u>	<u>662,074</u>	22.22%
<b>Non-Operating Revenues (Expenses):</b>				
Non-Operating Income	445,094	353,033	92,061	26.08%
Non-Operating Expense	<u>(903,083)</u>	<u>(952,750)</u>	<u>49,667</u>	(5.21)%
Total Non-Operating Revenues (Expenses)	<u>(457,989)</u>	<u>(599,717)</u>	<u>141,728</u>	(23.63)%
<b>Change in Net Position</b>	<u>3,183,864</u>	<u>2,380,062</u>	<u>803,802</u>	33.77%
Net Position, January 1	<u>(11,563,668)</u>	<u>(13,943,730)</u>	<u>2,380,062</u>	(17.07)%
Net Position, December 31,	<u>\$(8,379,804)</u>	<u>\$(11,563,668)</u>	<u>\$3,183,864</u>	(27.53)%

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Budgetary Highlights (Continued)**

The following tables provides a FY 2024:

	<b>Budget vs. Actual FY 2024</b>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Operating Revenues:</b>			
Annual Administration Fees	\$246,656	\$262,612	\$15,956
Other Operating Income	<u>27,234,190</u>	<u>27,059,346</u>	<u>(174,844)</u>
Total Operating Revenues	<u>27,480,846</u>	<u>27,321,958</u>	<u>(158,888)</u>
<b>Non-Operating Revenues:</b>			
Interest on Investments, Other	<u>32,500</u>	<u>812,070</u>	<u>779,570</u>
Total Non-Operating Revenues	<u>32,500</u>	<u>812,070</u>	<u>779,570</u>
Total Revenues and Net Position Utilized	<u>27,513,346</u>	<u>28,134,028</u>	<u>620,682</u>
<b>Operating Appropriations:</b>			
<b>Administration and COPS:</b>			
Salaries and Wages	75,000	-	75,000
Fringe Benefits	79,935	2,247	77,688
Other Expenses	<u>2,898,047</u>	<u>1,668,437</u>	<u>1,229,610</u>
Total Operating Appropriations	<u>3,052,982</u>	<u>1,670,684</u>	<u>1,382,298</u>
<b>Non-Operating Appropriations:</b>			
Bond and Loan Principal	14,602,280	14,602,280	-
Interest on Bonds and Notes	<u>9,858,084</u>	<u>9,841,417</u>	<u>16,667</u>
	<u>24,460,364</u>	<u>24,443,697</u>	<u>16,667</u>
Total Appropriations	<u>27,513,346</u>	<u>26,114,381</u>	<u>1,398,965</u>
<b>Total Budgetary Income/(Loss)</b>	<u>\$</u>	<u>\$2,019,647</u>	<u>\$2,019,647</u>

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Economic Factors, Future Years' Budgets and Rates**

The Commissioners and management of the Authority consider many factors when preparing each year's budget. The main factors are growth in the Authority's customer base.

**Contacting the Authority**

This financial report is designed to provide our customers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the fees it receives. If you have any questions about this report or need additional information, contact the Union County Improvement Authority, 10 Elizabethtown Plaza 5<sup>th</sup> Floor, Elizabeth, NJ 07207.

## **Financial Statements**

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
COMPARATIVE STATEMENTS OF NET POSITION  
DECEMBER 31, 2024**

<u>ASSETS</u>	<u>2024</u>	<u>Memorandum Only 2023</u>
Current Assets:		
Unrestricted:		
Cash and Cash Equivalents	7,352,319	3,434,081
Accounts Receivable	1,039,155	521,525
Lease Receivable - Current	1,407,397	1,403,511
Total Unrestricted Current Assets	<u>9,798,871</u>	<u>5,359,117</u>
Restricted		
Cash and Cash Equivalents	56,846,492	34,823,880
Total Current Assets	<u>66,645,363</u>	<u>40,182,997</u>
Noncurrent Assets:		
Unrestricted:		
Lease Receivable	6,769,681	8,177,078
Fixed Assets, Net	1,800,332	1,860,365
Due from Capital	416,800	3,297,006
Total Noncurrent Assets (Payable from Unrestricted Assets)	<u>8,986,813</u>	<u>13,334,449</u>
Restricted:		
Development Costs	1,864,656	1,864,656
Total Noncurrent Assets	<u>10,851,469</u>	<u>15,199,105</u>
<b>TOTAL ASSETS</b>	<u><b>77,496,832</b></u>	<u><b>55,382,102</b></u>

The accompanying "Notes to the Financial Statements" are an integral part of this report.

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
COMPARATIVE STATEMENTS OF NET POSITION  
DECEMBER 31, 2024**

	<b>2024</b>	<b>Memorandum Only 2023</b>
<b><u>LIABILITIES</u></b>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable	308,491	603,035
Prepaid Rent	15,231	111,823
Accrued Interest Payable	298,250	314,917
Bonds Payable - Current	1,050,000	1,000,000
Total Current Liabilities (Payable from Unrestricted Assets)	1,671,972	2,029,775
Payable from Restricted Assets:		
Accounts Payable	93,602	149,784
Total Current Liabilities	1,765,574	2,179,559
Long-Term Liabilities:		
Payable from Unrestricted Assets:		
Bonds Payables	16,845,000	17,895,000
Total Long Liabilities (Payable from Unrestricted Assets)	16,845,000	17,895,000
Payable from Restricted Assets:		
Development Liability	56,846,492	34,823,880
Total Long-Term Liabilities	73,691,492	52,718,880
<b>TOTAL LIABILITIES</b>	<b>75,457,066</b>	<b>54,898,439</b>

The accompanying "Notes to the Financial Statements" are an integral part of this report.

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
COMPARATIVE STATEMENTS OF NET POSITION  
DECEMBER 31, 2024**

	<b>2024</b>	<b>Memorandum Only 2023</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Deferred Credits:		
Deferred Inflows Related to Leases	8,177,078	9,580,589
Unamortized Premiums on Bonds	2,242,492	2,466,742
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>10,419,570</b>	<b>12,047,331</b>
<b><u>NET POSITION</u></b>		
Net Investment in Capital Assets	(18,337,160)	(19,501,377)
Restricted	1,771,054	1,714,872
Unrestricted: Undesignated	8,186,302	6,222,837
<b>TOTAL NET POSITION</b>	<b>(8,379,804)</b>	<b>(11,563,668)</b>

The accompanying "Notes to the Financial Statements" are an integral part of this report.

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>2024</b>	<b>Memorandum Only 2023</b>
<b>Operating Revenues:</b>		
Project Fees	1,052,894	603,729
Park Madison Rents	2,374,926	1,823,141
Insurance Claims	25,000	230,800
Lease Reimbursements	1,919,750	1,928,750
<b>Total Operating Revenues</b>	<b>5,372,570</b>	<b>4,586,420</b>
<b>Operating Expenses:</b>		
Administration:		
Personnel - Salary & Benefits	2,247	(562,452)
Other Expenses	424,220	216,555
Cost of Providing Services:		
Other Expenses	1,244,217	1,892,505
Depreciation Expense	60,033	60,033
	<b>1,730,717</b>	<b>1,606,641</b>
<b>Operating Income (Loss)</b>	<b>3,641,853</b>	<b>2,979,779</b>
<b>Non-Operating Revenues (Expenses)</b>		
Interest Income	220,844	128,784
Interest Expense	(903,083)	(952,750)
Amortization Expense	224,250	224,249
	<b>(457,989)</b>	<b>(599,717)</b>
<b>Change in Net Position</b>	<b>3,183,864</b>	<b>2,380,062</b>
<b>Net Position, January 1</b>	<b>(11,563,668)</b>	<b>(13,943,730)</b>
<b>Net Position, December 31</b>	<b>(8,379,804)</b>	<b>(11,563,668)</b>

The accompanying and "Notes to the Financial Statements" are an integral part of this report.

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>2024</b>	<b>Memorandum Only 2023</b>
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Customers	\$ 4,758,348	4,421,737
Cash Paid to Employees	(2,247)	(55,447)
Cash Paid to Suppliers and Others	(2,019,163)	(1,754,532)
Net Cash Provided by Operating Activities	2,736,938	2,611,758
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal Payments on Bonds	(1,000,000)	(960,000)
Interest Paid on Bonds	(919,750)	(968,750)
(Increase)/Decrease in Due from Capital	2,880,206	(2,063,397)
Increase/(Decrease) in Development Liability	22,022,612	27,904,091
Net Cash Used for Capital and Related Financing Activities	22,983,068	23,911,944
<b>Cash Flows from Investing Activities:</b>		
Interest Received	220,844	128,784
Net Cash Provided by Investing Activities	220,844	128,784
Net Increase (Decrease) in Cash and Cash Equivalents	25,940,850	26,652,486
Cash and Cash Equivalents, January 1,	38,257,961	11,605,475
Cash and Cash Equivalents, December 31	\$ 64,198,811	38,257,961
<b>Analysis of Balance at December 31,</b>		
Restricted - Cash and Cash Equivalents	56,846,492	34,823,880
Unrestricted - Cash and Cash Equivalents	7,352,319	3,434,081
	\$ 64,198,811	38,257,961

The accompanying "Notes to the Financial Statements" are an integral part of this report.

**UNION COUNTY IMPROVEMENT AUTHORITY  
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COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<b>Memorandum Only 2023</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>		
Operating Income (Loss)	\$ <u>3,641,853</u>	<u>2,979,779</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation Expense	60,033	60,033
Adjustment to Pension Obligation	-	(617,899)
(Increase)/Decrease in Accounts Receivable	(517,630)	(276,506)
Increase/(Decrease) in Accounts Payable and Accrued Expenses	(350,726)	354,528
Increase/(Decrease) in Prepaid Rent	<u>(96,592)</u>	<u>111,823</u>
Total Adjustments	<u>(904,915)</u>	<u>(368,021)</u>
Net Cash Provided by Operating Activities	\$ <u><u>2,736,938</u></u>	<u><u>2,611,758</u></u>

The accompanying "Notes to the Financial Statements" are an integral part of this report.

**Notes to Financial Statements**

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Union County Improvement Authority (the “Authority”) is a public body politic, corporate, organized and existing under the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 160, as Amended and Supplemented (the "Act"), N.J.S.A. 40:37A-1, et. seq. The Authority has broad powers under the Act including, among others, the following: to retain, operate and administer its property; to provide for bonds and to secure their payment and rights of holders thereof; to charge and collect service charges for the use of its facilities and to revise such service charges to ensure that the revenues of the Authority will at all times be adequate to pay all operating and maintenance and expenses, including reserves, insurance, extensions and replacements, and to pay the principal of and the interest on any bonds or loans, and to maintain such reserves or sinking funds therefore as may be required by the terms of any contract of the Authority; and to make and enforce rules and regulations for the management of its business and affairs.

The Authority was created for the purpose of financing capital projects for the County of Union and other local governmental units within the County of Union for which the Board of Commissioners of the Authority exercises financial accountability. The Board members are appointed to five-year terms by The Board of County Commissioners. There are no additional entities required to be included in the reporting entity and the Authority is not included in any other reporting entity.

**Component Unit**

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the government.

**UNION COUNTY IMPROVEMENT AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

**Component Unit, (continued)**

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Authority has no component units and is a component unit of the County of Union.

**B. Basis of Presentation**

The financial statements of the Union County Improvement Authority have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to enterprise funds of state and local governmental units. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and or net income is appropriate for capital maintenance, public policy, accountability or other purposes. The Governmental Accounting Standards Board GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant of the Authority's accounting policies are described below.

**UNION COUNTY IMPROVEMENT AUTHORITY  
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DECEMBER 31, 2024  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Basis of Presentation, (continued)**

On January 1, 2012, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which amends the net position reporting requirement of Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and other pronouncements by incorporating deferred outflows from resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The classifications of net position are defined as follows:

- *Net investment in capital assets* - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are any significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather that portion of the debt is included in the same net position component as the unspent proceeds.
- *Restricted* - This component of net position consists of constraints placed on net position used through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

**C. Basis of Accounting**

The Union County Improvement Authority prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Under the accrual basis of accounting, revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

**UNION COUNTY IMPROVEMENT AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**D. Reporting Entity**

The Authority's financial statements include the accounts of all Authority operations. The primary criterion for including activities within the Authority's reporting entity, is set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards. Based on this criteria, the Authority is a legally separate organization and has no component units.

**E. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Authority to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used to determine useful lives of leasehold improvements and certain claims and judgment liabilities, among other accounts. Accordingly, actual results could differ from those estimates.

**F. Assets, Deferred Inflows and Outflows, Liabilities and Net Position**

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents are considered to be cash on hand, cash in banks, certificates of deposit, deposits with the New Jersey Cash Management Fund and all short-term investments with original maturities of three months or less from the date of purchase. Investments are reported at market value and except for the operating accounts are limited by the 1997 Bond Resolution as amended and supplemented thereto. Operating account investments are limited by NJSA 40A:5-15.1 et seq.

**Accounts Receivable**

All receivables are reported at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Changes in the allowance for uncollectibles is recorded as an adjustment to revenue or as bad debt expenses depending on its effect on current year or prior year allowance amounts and the results of those changes.

**UNION COUNTY IMPROVEMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**  
**(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**F. Assets, Deferred Inflows and Outflows, Liabilities and Net Position, (continued)**

**Interfunds Receivable and Payable**

During the course of its operations, the Authority has numerous transactions between funds (accounts) to finance operations, provide services, construct assets, and retire debt. To the extent that certain transactions between the accounts had not been paid or received as of the balance sheet dates, balances of interfund amounts receivable and payable have not been recorded.

**Restricted Assets**

Certain assets are classified as restricted on the statement of net position because they are maintained in separate bank accounts and their use is limited by the various Bond Resolutions as amended and supplemented thereto.

**Deferred Outflows and Deferred Inflows of Resources**

The Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflow of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Authority is required to report the following as deferred outflows of resources and deferred inflows of resources:

**Defined Benefit Pension Plans** - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the Authority's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contribution and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

**UNION COUNTY IMPROVEMENT AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**G. Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for services, specifically, service charge fees for managing the conduit debt. Operating expenses include the cost of operations and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. State and federal grants for the operation of the Authority are considered operating revenues. Transactions or other events that are both unusual in nature and infrequent in occurrence are reported as extraordinary items.

**H. Recent Accounting Pronouncements**

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Commission is determining what effects, if any, this pronouncement will have on future financial statements.

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. The Authority is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

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(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**H. Recent Accounting Pronouncements, (continued)**

In September 2024, the Government Accounting Board issued GASB Statement No. 104, Disclosure of Certain Capital Assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The Authority is determining what effects, if any, this pronouncement will have on future financial statements.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The Authority annually prepares an operating budget for the General Fund. The budget is prepared in accordance with the Budget Manual for Local Public Authorities as promulgated by the Division of Local Government Services, Bureau of Authority Regulation, which differs in certain respects from accounting principles generally accepted in the United States of America. The budgets serve as a plan for expenses and the proposed means for financing them. Budgetary control is exercised within the respective system.

**UNION COUNTY IMPROVEMENT AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(CONTINUED)**

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, (continued)**

**Budgets and Budgetary Accounting, (continued)**

The annual budgets are approved at least sixty days prior to the beginning of the fiscal year. The budgets must be approved by the Board and submitted to the Division of Local Government Services, Bureau of Authority Regulation for approval prior to adoption. Budget adoptions and amendments are recorded in the Authority's minutes.

The Authority also prepares a five year capital budget which includes the budget for individual projects along with their estimated cost, completion date and source of funding.

**3. DEPOSITS AND INVESTMENTS**

**Deposits** - The Authority's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Authority is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2024, the book value of the Authority's deposits were \$64,198,811 and bank balances of the Authority's cash and deposits amounted to \$64,525,936.

The Authority's deposits which are displayed on the balance sheet as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	
Insured:	
Restricted	\$56,846,492
Unrestricted	<u>7,352,319</u>
	<u>\$64,198,811</u>

**Custodial Credit Risk - Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of December 31, 2024, none of the Authority's bank balances were exposed to custodial credit risk.

**UNION COUNTY IMPROVEMENT AUTHORITY  
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(CONTINUED)**

**4. BONDS PAYABLE**

**Series 2013A Lease Revenue Refunding Bonds**

In January 2013, the UCIA issued bonds in the amount of \$21,645,000 with a final maturity date of March 1, 2034, and an interest rate of 5.00%. The Bonds fully consist of lease revenue refunding bonds. The Series 2013A Bonds were issued to (i) refund all or a portion of the Authority's \$21,645,000 aggregate principal amount of outstanding Lease Revenue Bonds, Series 2003A (Tax-Exempt) (City of Plainfield - Park Madison Redevelopment Project) (the "Refunded Bonds"); and (ii) pay the costs and expenses incurred by the Authority in connection with the issuance and delivery of the Series 2013A Bonds.

The Series 2013A Bonds are subject to mandatory sinking fund redemption prior to their stated maturity. At December 31, 2024, the outstanding principal and interest on these bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$1,050,000	\$894,750	\$1,944,750
2026	1,530,000	842,250	2,372,250
2027	1,605,000	765,750	2,370,750
2028	1,685,000	685,500	2,370,500
2029	1,770,000	601,250	2,371,250
2030	1,855,000	512,750	2,367,750
2031	1,950,000	420,000	2,370,000
2032	2,045,000	322,500	2,367,500
2033	2,150,000	220,250	2,370,250
2034	<u>2,255,000</u>	<u>112,750</u>	<u>2,367,750</u>
	<u>\$17,895,000</u>	<u>\$5,377,750</u>	<u>\$23,272,750</u>

**UNION COUNTY IMPROVEMENT AUTHORITY  
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(CONTINUED)**

**5. CONDUIT DEBT OBLIGATIONS**

The Authority has issued debt on behalf of third-party entities. The Authority has no obligation for the debt beyond the resources provided by the related leases or loans, and, accordingly, the debt is not reflected as a liability in the accompanying financial statements.

The Authority has issued and has outstanding the following conduit debt obligations as of December 31, 2024:

	<u>Balance</u>			<u>Balance</u>
	<u>Dec. 31, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Dec. 31, 2024</u>
Series 1998A Revenue Bonds	\$4,000,000	\$	\$	\$4,000,000
Series 2003A&B Revenue Bonds	125,000		125,000	0
Series 2004 Revenue Bonds	1,950,000		130,000	1,820,000
Series 2004 Revenue Bonds	430,000		210,000	220,000
Series 2007 Revenue Bonds	1,210,000		380,000	830,000
Series 2010 Revenue Bonds	420,000		205,000	215,000
Series 2010B Lease Revenue Refunding Bonds	1,960,000		1,060,000	900,000
Series 2013A Lease Revenue Refunding Bonds	6,970,000		780,000	6,190,000
Series 2014A,B&C Lease Revenue Refunding Bonds	2,145,000		685,000	1,460,000
Series 2015 Lease Revenue Refunding Bonds	17,445,000		1,170,000	16,275,000
Series 2015A&B Lease Revenue Bonds	400,000			400,000
Series 2015B Capital Appreciation Bonds	1,779,582			1,779,582
Series 2016 Omnibus Lease Revenue Bonds	10,570,000		2,425,000	8,145,000
Series 2017 Lease Revenue Refunding Bonds	6,565,000		245,000	6,320,000
Series 2018 Revenue Refunding Bonds	17,555,000		645,000	16,910,000
Series 2019 Revenue Bonds	47,615,000		1,300,000	46,315,000
Series 2021 Lease Revenue Refunding Bonds	44,560,000		360,000	44,200,000
Series 2021 Revenue Bonds	3,015,000		1,005,000	2,010,000
Series 2021 Subordinate Revenue Bonds	11,500,000			11,500,000
Series 2023 Revenue Bonds	8,500,000			8,500,000
Series 2023 Lease Revenue Bonds	5,975,000		55,000	5,920,000
Series 2024 Aries Linden Revenue Bonds		21,500,000		21,500,000
Series 2024 Lease Revenue Bonds		109,645,000		109,645,000
	<u>\$194,689,582</u>	<u>\$131,145,000</u>	<u>\$10,780,000</u>	<u>\$315,054,582</u>

**UNION COUNTY IMPROVEMENT AUTHORITY  
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DECEMBER 31, 2024  
(CONTINUED)**

**5. CONDUIT DEBT OBLIGATIONS, (continued)**

**A. Series 1998A&B Lease Revenue Bonds**

In September 1998, the UCIA issued bonds in the amount of \$14,145,000 with a final maturity date of March 1, 2028, and an interest rate varying from 5.00% - 6.65%. The Bonds fully consist of lease revenue bonds guaranteed by the City of Linden. The Series 1998A&B Bonds were issued to (i) finance the planning, design, acquisition, construction, installation and renovation of the Linden Municipal Airport (the "Airport"), and the Airport site (the "Project"), (ii) the payment of capitalized interest on the Bonds through September 1, 2000 and (iii) pay certain costs incurred in connection with the issuance of the Bonds.

**B. Series 2003 A&B Revenue Bonds**

In August 2003, the UCIA issued bonds in the amount of \$1,710,000 with a final maturity date of September 1, 2024, and an interest rate varying from 2.25% - 4.88%. The Bonds fully consist of loan revenue bonds guaranteed by the City of Linden. The Series 2003 A&B Bonds were issued to (i) demolish an existing building and construction and equipping of an approximately 11,000 square foot building thereon which will be and used for recreational purposes; and (ii) pay certain of the costs of issuance of the Series 2003 Bonds.

**C. Series 2004 Revenue Bonds**

In April 2004, the UCIA issued bonds in the amount of \$3,500,000 with a final maturity date of March 1, 2034, and an interest rate varying from 5.01% - 6.03%. The Bonds fully consist of revenue bonds guaranteed by the City of Linden. The Series 2004 Bonds were issued for (i) the acquisition of 26 properties, including commercial, residential and vacant land located on South Wood Avenue near the Linden Train Station; (ii) the relocation of businesses and residents located within the properties; (iii) the clearing of said properties and remediation of any environmental contamination associated with the subject properties; (iv) the conveyance of the properties to a "redeveloper" for development of approximately 135 residential union and 25,000 square feet of commercial space; (v) the payment of approximately 5 month of capitalized interest on the Series 2004 Bonds; and (vi) the payment of certain of the costs of issuance of the Series 2004 Bonds.

**UNION COUNTY IMPROVEMENT AUTHORITY  
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(CONTINUED)**

**5. CONDUIT DEBT OBLIGATIONS, (continued)**

**D. Series 2004 Revenue Bonds**

In March 2004, the UCIA issued bonds in the amount of \$2,900,000 with a final maturity date of March 1, 2025, and an interest rate varying from 3.79% - 5.12%. The Bonds fully consist of loan revenue bonds guaranteed by the County of Union. The Series 2004 Bonds were issued for (i) the acquisition of certain real property (the “Redevelopment Property”) and the relocation of five businesses on and about the Redevelopment Property; (ii) the contribution by the City of the former “Linden Theater” property and a portion of a public parking lot; (iii) the clearing (demolition) of existing buildings located on the Redevelopment Property and the remediation of the same; (iv) the conveyance of the subject properties to a “redeveloper” for development of two buildings, one with approximately 15,000 square feet of commercial space in a three story structure and the other of approximately 3,000 square feet for a restaurant; (v) the construction of a public plaza/amphitheater for the City; (vi) the payment of approximately 18 months of capitalized interest on the Series 2004 Bonds; and (vii) the payment of certain of the costs of issuance of the Series 20004 Bonds.

**E. Series 2007 Revenue Bonds**

In May 2007, the UCIA issued bonds in the amount of \$5,000,000 with a final maturity date of October 1, 2026, and an interest rate of 5.65%. The Bonds fully consist of loan revenue bonds guaranteed by the City of Linden. The Series 2007 Bonds were issued to (i) finance a portion of and to implement the Morning Star Redevelopment Project (the “Morning Star Redevelopment Project”), consisting of, in part, (a) the acquisition of 19 properties, including commercial, residential and vacant land located on St. Georges Avenue in the City; (b) the relocation of businesses and residents located within the properties; (c) the clearing of said properties and remediation of any environmental contamination associated with the subject properties; and (d) the conveyance of the properties to a “redeveloper” for development of approximately 40,000 square feet of commercial space; (ii) pay interest on the Series 2007 Bonds from their dated date through and including April 1, 2008; and (iii) pay certain of the costs of issuance incurred in connection with the issuance of the Series 2007 Bonds.

The Series 2007 Bonds are subject to mandatory sinking fund redemption prior to their stated maturity.

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(CONTINUED)**

**5. CONDUIT DEBT OBLIGATIONS, (continued)**

**F. Series 2010 Revenue Bonds**

In September 2010, the UCIA issued bonds in the amount of \$2,575,000 with a final maturity date of September 1, 2025, and an interest rate varying from 1.50% - 4.00%. The Bonds fully consist of revenue bonds guaranteed by the County of Union. The Series 2010 Bonds were issued for (i) demolition, construction, and reconstruction, as applicable, of the Union County Child Advocacy Center Project (the "Project"), the cost of the acquisition of equipment and fixtures for the Project, and (ii) the payment of costs of issuing the Series 2010 Bonds, including all related costs of the County and the Authority.

**G. Series 2010B Lease Revenue Refunding Bonds**

In August 2010, the UCIA issued bonds in the amount of \$10,880,000 with a final maturity date of March 1, 2025, and an interest rate varying from 6.38% - 6.65%. The Bonds fully consist of revenue bonds guaranteed by the County of Union. The Series 2010 Bonds were issued for (i) the current refunding of the Authority's outstanding General Obligation Lease Revenue Bond, Series 1998B (Linden Airport Project) and (ii) payment of certain of the costs of issuance of the Series 2010B Bonds.

The Series 2010B Bonds are subject to Mandatory Sinking Fund Redemption.

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**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(CONTINUED)**

**5. CONDUIT DEBT OBLIGATIONS, (continued)**

**H. Series 2013 A&B Revenue Bonds**

In December 2013, the UCIA issued bonds in the amount of \$13,230,000 with a final maturity date of December 1, 2033, and an interest rate varying from 1.50% - 4.25%. The Bonds fully consist of lease revenue bonds. The Series 2013A&B Bonds were issued for (i) the design and construction of a two-story building addition and renovation of existing space, on the Union County College campus located in Cranford, New Jersey, on lands currently owned by the College; and (ii) the payment of certain costs of issuance incurred in connection with the issuance of the Series 2013 Bonds.

**I. Series 2014A, B&C Lease Revenue Refunding Bonds**

In September 2014, the UCIA issued bonds in the amount of \$21,555,000 with a final maturity date of February 1, 2026, and an interest rate varying from 1.50% - 5.00%. The Bonds fully consist of lease revenue refunding bonds. The Series 2014A, B&C Bonds were issued for (i) refunding all of the \$22,545,000 outstanding principal amount of the Authority's callable General Obligation Lease Revenue Bonds, Series 2006 (county College Facility Project) (consisting of all of the Authority's \$1,340,000 outstanding Series 2006A; \$16,045,000 outstanding Series 2006B and \$5,160,000 Series 2006C), originally issued in the aggregate principal amount of \$48,626,000 dated March 22, 2006, which mature on February 1 in each of the years 2017 through 2026, inclusive (the "Refunded Bonds") and (ii) paying costs of issuance for the Refunding Bonds.

**J. Series 2015 Lease Revenue Refunding Bonds**

In April 2015, the UCIA issued bonds in the amount of \$24,960,000 with a final maturity date of May 1, 2034, and an interest rate varying from 3.60% - 5.50%. The Bonds fully consist of lease revenue refunding bonds. The Series 2015 Bonds were issued to (i) refund all of the Authority's \$24,690,000 aggregate principal amount of outstanding County of Union General Obligation Lease Revenue Bonds, Series 2005 (Juvenile Detention Center Facility Project) maturing on and after May 1, 2016 (the "Refunded Series 2005 Bonds"); and (ii) pay the costs and expenses incurred by the Authority in connection with the issuance and delivery of the Series 2015A Bonds.

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(CONTINUED)**

**5. CONDUIT DEBT OBLIGATIONS, (continued)**

**K. Series 2015A&B Lease Revenue Bonds**

In November 2015, the UCIA issued bonds in the amount of \$2,179,582 with a final maturity date of December 1, 2047, and an interest rate varying from 5.25% - 5.40%. The Bonds consist of \$400,000 Series 2015 A current interest bonds and \$1,779,582 capital appreciation bonds guaranteed by the County of Union. The Series 2015A&B Bonds were issued for (i) the acquisition and renovation of, including certain predevelopment costs related to, an affordable residential development located at 300-331 Willow Court and 445-552 Willow Court, City of Elizabeth, Union County, New Jersey and which will consist of the demolition of two 60 union apartment buildings and new construction of 96 new townhouse rental unions and all work related thereto, and (ii) the payment of costs of issuing the Series 2015 Bonds, including all related costs of the Authority and Parkers Walk Urban Renewal, LLC (the “Developer”).

**L. Series 2016 Omnibus Lease Revenue Bonds**

In August 2016, the UCIA issued bonds in the amount of \$23,965,000 with a final maturity date of November 1, 2035, and an interest rate varying from 2.00% - 4.00%. The Bonds fully consist of lease revenue bonds guaranteed by the City of Linden. The Series 2016 Bonds were issued to (i) refund all of the Authority’s outstanding callable \$1,950,000 Lease Revenue Bonds, City of Linden Guaranteed (Linden Library Project) Series 2005; (ii) refund all of the Authority’s outstanding and callable \$3,095,000 Lease Revenue Bonds, City of Linden Guaranteed (Linden Football and Track Stadium Project), Series 2005; (iii) refund all of the Authority’s outstanding and callable \$16,595,000 City of Linden General Obligation Lease Revenue Bonds (City of Linden Firehouse Project), Series 2006; (iv) refund all of the Authority’s outstanding and callable \$4,160,000 City of Linden Guaranteed Lease Revenue Bonds (City of Linden Public Library Project), Series 2007; and (v) pay certain costs associated with the issuance, sale and delivery of the Series 2016 Bonds.

The Series 2016 Bonds are subject to mandatory sinking fund redemption prior to their stated maturity.

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(CONTINUED)**

**5. CONDUIT DEBT OBLIGATIONS, (continued)**

**M. Series 2017 Lease Revenue Refunding Bonds**

In April 2017, the UCIA issued bonds in the amount of \$7,860,000 with a final maturity date of May 1, 2042, and an interest rate varying from 2.13% - 4.00%. The Bonds fully consist of lease revenue refunding bonds guaranteed by the County of Union. The Series 2017 Bonds were issued to finance (i) the costs required for the completion of the planning, design, construction and equipping of a new Family Court Building located at 10 Cherry Street, Elizabeth, New Jersey, and all work and materials related thereto (the “Project”) and (ii) costs of issuance of the Series 2017 Bonds.

The Series 2017 Bonds are subject to mandatory sinking fund redemption prior to their stated maturity.

**N. Series 2018 Revenue Refunding Bonds**

In December 2018, the UCIA issued bonds in the amount of \$19,620,000 with a final maturity date of December 1, 2040, and an interest rate varying from 3.22% - 5.75%. The Bonds fully consist of revenue refunding bonds guaranteed by the County of Union. The Series 2018 Bonds were issued to provide funds for (i) the advance refunding and defeasance of all of the Authority’s \$18,695,000 County Guaranteed Revenue Refunding Bonds, Series 2010 (Oakwood Plaza-Elizabeth Project) (Federally Taxable) dated December 28, 2010, and (ii) the payment of costs of issuing the Series 2018 Bonds, including all related costs of the County of Union, the City of Elizabeth, the Authority and CIS Oakwood, LLC (the “Developer”).

The Series 2018 Bonds are subject to mandatory sinking fund redemption prior to their stated maturity.

**O. Series 2019 Revenue Bonds**

In October 2019, the UCIA issued bonds in the amount of \$50,000,000 with a final maturity date of December 1, 2041, and an interest rate varying from 6.00% - 6.75%. The Bonds fully consist of solid waste disposal revenue bonds. The Series 2019 Bonds were issued to (i) finance the acquisition, construction, rehabilitation, renovation, installation, improvement and equipping of a sludge and solid waste disposal and processing system facility, as further described herein; (ii) fund 18 months of capitalized interest; (iii) fund a debt service reserve fund for the Bonds; and (iv) pay a portion of the costs of issuance of the Bonds.

The Series 2019 Bonds are subject to mandatory sinking fund redemption prior to their stated maturity.

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(CONTINUED)**

**5. CONDUIT DEBT OBLIGATIONS, (continued)**

**P. Series 2021 Lease Revenue Refunding Bonds**

In March 2021, the UCIA issued bonds in the amount of \$46,205,000 with a final maturity date of May 1, 2042, and an interest rate varying from 0.16% - 3.15%. The Bonds fully consist of lease revenue refunding bonds guaranteed by the County. The Series 2021 Bonds were issued to (i) advance refund the Authority's outstanding County Guaranteed Lease Revenue Bonds, Series 2012 (Union County Family Court Building Project – Elizabeth) (the "Refunded Bonds") originally issued to finance the construction and equipping of a Family Court Building and a parking deck located at 10 Cherry Street, Elizabeth, New Jersey for the County (the "Courthouse Project") and (ii) pay certain costs of issuance of the Bonds.

**Q. Series 2021 Revenue Bonds**

In December 2021, the UCIA issued bonds in the amount of \$5,055,000 with a final maturity date of October 15, 2026, and an interest rate of 5.00%. The Bonds fully consist of revenue bonds guaranteed by the County. The Series 2021 Bonds were issued (i) as part of a plan of finance to terminate the lease rights of Tioga Solar Union County 1, LLC (the "Company") to the Renewable Energy Projects (as defined herein), which upon termination of such lease rights, shall be owned by the Authority free and clear of any encumbrances, (ii) to fund the defeasance of all of the outstanding Refunded Bonds (as defined herein), (iii) to fund certain capital improvements for the Renewable Energy Projects, and (iv) to pay certain costs incurred in connection with the issuance of the Bonds.

**R. Series 2021 Solid Waste Disposal Subordinate Revenue Bonds**

In April 2021, the UCIA issued bonds in the amount of \$11,500,000 with a final maturity date of June 1, 2041, and an interest rate of 8.5%. The Bonds fully consist of solid waste disposal subordinate revenue bonds. The Series 2021 Bonds were issued to (i) finance the completion of the acquisition, construction, rehabilitation, renovation, installation, improvement and equipping of a sludge and solid waste disposal and processing system facility, as further described herein; (ii) fund capitalized interest through August 1, 2021 on the Bonds; (iii) fund capitalized interest through August 1, 2021 on the Series 2019 Bonds; and (iv) pay a portion of the costs of issuance of the Bonds.

The Series 2021 Bonds are subject to mandatory cash sweep redemption prior to their stated maturity.

**UNION COUNTY IMPROVEMENT AUTHORITY**  
**(A COMPONENT UNIT OF THE COUNTY OF UNION)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**  
**(CONTINUED)**

**5. CONDUIT DEBT OBLIGATIONS, (continued)**

**S. Series 2023 Lease Revenue Bonds**

In May 2023, the UCIA issued bonds in the amount of \$5,975,000 with a final maturity date of May 1, 2043, and an interest rate of 5.00%. The Bonds fully consist of lease revenue bonds guaranteed by the Borough of Roselle. The Series 2023 Bonds were issued to (i) finance a portion of the design, construction and equipping of the renovation of the Borough's existing library (the "Library Project") and (ii) pay certain costs of issuance of the Bonds.

The Series 2023 Bonds are subject to mandatory cash sweep redemption prior to their stated maturity.

**T. Series 2023 Solid Waste Disposal Subordinate Revenue Bonds**

In December 2023, the UCIA issued bonds in the amount of \$8,500,000 with a final maturity date of June 1, 2041, and an interest rate of 12.50%. The Bonds fully consist of solid waste disposal subordinate revenue bonds. The Series 2023 Bonds were issued to (i) finance the completion of the acquisition, construction, rehabilitation, renovation, installation, improvement and/or equipping of the wastewater biosolids processing and gasification facility owned by Aries Linden located in Linden, New Jersey, and (ii) paying a portion of the costs of issuance of the 2023 Bonds.

The Series 2023 Bonds are subject to mandatory cash sweep redemption prior to their stated maturity.

**U. Series 2024 Lease Revenue Bonds**

In April 2024, the UCIA issued bonds in the amount of \$109,645,000 with a final maturity date of April 15, 2054, and an interest rate varying from 4.125% - 5.000%. The Bonds fully consist of lease revenue bonds guaranteed by Union County. The Series 2024 Bonds were issued to (i) finance and undertake the planning, design, construction and equipping of a new County Administration complex located at 61-99 West Grand Street, Elizabeth, New Jersey, and (ii) pay certain costs incurred in connection with the issuance of the Bonds.

The Series 2024 Bonds are subject to mandatory sinking fund redemption prior to their stated maturity.

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(CONTINUED)**

**5. CONDUIT DEBT OBLIGATIONS, (continued)**

**V. Series 2024 Solid Waste Disposal Subordinate Revenue Bonds**

In December 2024, the UCIA issued bonds in the amount of \$21,500,000 with a final maturity date of June 1, 2041, and an interest rate of 12.50%. The Bonds fully consist of solid waste disposal subordinate revenue bonds. The Series 2024 Bonds were issued to (i) finance the completion of the acquisition, construction, rehabilitation, renovation, installation, improvement and/or equipping of the wastewater biosolids processing and gasification facility owned by Aries Linden located in Linden, New Jersey, including reimbursing Aries Linden for costs of the Project previously paid by Aries Linden, and (ii) pay all or a portion of the costs of issuance of the 2024 Bonds.

The Series 2024 Bonds are subject to mandatory cash sweep redemption prior to their stated maturity.

**6. LEASES**

The Union County Improvement Authority, as a lessor, has entered into the following leases which meet the requirements of GASB 87:

Park Madison Facility Leases

The Union County Improvement Authority has entered into five lease agreements with various tenants for the use of office space located on Park Madison Avenue. The lease agreements range from two to twenty years, with options to extend or terminate the lease. An estimated discount rate of 1.266% was used which is equal to the UCIA's incremental borrowing rate.

As of December 31, 2024, the UCIA reported lease receivable of \$8,177,078 and a corresponding deferred inflow related to leases of \$8,177,078.

The UCIA recognized the following inflows from leases as of December 31, 2024:

Lease Revenue	\$1,403,511
Interest Revenue	<u>161,097</u>
	<u>\$1,564,608</u>

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(CONTINUED)**

**6. LEASES, (continued)**

The present value of future minimum lease payments to be received under the lease agreements are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2025	\$1,407,397	\$95,322
2026	1,364,841	77,783
2027	1,381,184	60,434
2028	1,349,419	42,911
2029	1,263,103	26,543
2030	1,079,932	10,554
2031-2035	<u>331,202</u>	<u>9,521</u>
	<u>\$8,177,078</u>	<u>\$323,068</u>

Weighted average remaining lease term (in years):	3.59
Weighted average discount rate:	1.266%

**Tenants Accounts Receivable**

Tenant fees receivable at December 31, 2024 is as follows:

	<u>2024</u>
Tenant Fees Receivable	\$1,039,155

**7. DEVELOPMENT COSTS**

The Authority has incurred costs for the development of several projects. As of December 31, 2024, \$1,864,656 of the costs have been capitalized.

**8. DEVELOPMENT LIABILITY**

The Authority has received advanced funding for costs to be incurred for the development of several projects. As of December 31, 2024, \$56,846,492 of cash was held by the Authority for future costs to be incurred.

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(CONTINUED)**

**8. DEVELOPMENT LIABILITY, (continued)**

Project Name:	<u>Balance as of 12/31/2023</u>	<u>Bond Proceeds/ Grant Funding</u>	<u>Contract Payments</u>	<u>Balance as of 12/31/2024</u>
Union County Government Complex	8,686,194	46,226,138	(25,072,716)	29,839,616
Union County Government Complex - Grants	-	27,300,000	(27,300,000)	-
Roselle Library	177,709	13,878,977	(13,872,298)	184,388
Fanwood DPW Facility	75,978	2,855	-	78,833
Renewable Energy	757,479	967,459	(691,630)	1,033,308
Union County Gym Expansion	20,091,515	936,616	(542,034)	20,486,097
Capital Lease Program	5,035,005	189,245	-	5,224,250
	<u>34,823,880</u>	<u>89,501,290</u>	<u>(67,478,678)</u>	<u>56,846,492</u>

**9. RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Authority has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Authority should they occur.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

The Authority is a member of the County of Union's Self Insurance pool for property, general liability and automobile liability.

The relationship between the Authority and the County of Union is governed by a contract and by-laws that have been adopted by resolution of the unit's governing body. The Authority has agreed to pay an annual installment based on a computation of the Authority's share of the County's premium as provided by the County. In return for this, the County of Union administers the Authority's insurance funds.

**10. SUBSEQUENT EVENTS**

The Authority has evaluated subsequent events through May 15, 2025, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**Supplementary Schedules**

UNION COUNTY IMPROVEMENT AUTHORITY  
 (A COMPONENT UNIT OF THE COUNTY OF UNION)  
 SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Net Investment in Capital Assets	Restricted	Unrestricted Undesignated	Total
<b>Operating Revenues:</b>				
Project Fees	\$		1,052,894	1,052,894
Park Madison Rents			2,374,926	2,374,926
Insurance Claims			25,000	25,000
Lease Reimbursements			1,919,750	1,919,750
Total Operating Revenues			<u>5,372,570</u>	<u>5,372,570</u>
<b>Operating Expenses:</b>				
Administration			426,467	426,467
Cost of Providing Services			1,244,217	1,244,217
Depreciation Expense	60,033			60,033
Total Operating Expenses	<u>60,033</u>		<u>1,670,684</u>	<u>1,730,717</u>
<b>Operating Income (Loss)</b>	<u>(60,033)</u>		<u>3,701,886</u>	<u>3,641,853</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Income			220,844	220,844
Interest Expense			(903,083)	(903,083)
Amortization Expense	224,250			224,250
	<u>224,250</u>		<u>(682,239)</u>	<u>(457,989)</u>
<b>Net Income (Loss) Before Transfers</b>	<u>164,217</u>		<u>3,019,647</u>	<u>3,183,864</u>
<b>Transfers</b>				
Bond Principal Payments	1,000,000		(1,000,000)	
Other Transfers		56,182	(56,182)	
	<u>1,000,000</u>	<u>56,182</u>	<u>(1,056,182)</u>	
<b>Increase (Decrease) in Net Position</b>	1,164,217	56,182	1,963,465	3,183,864
<b>Net Position, January 1, 2024</b>	\$ <u>(19,501,377)</u>	<u>1,714,872</u>	<u>6,222,837</u>	<u>(11,563,668)</u>
<b>Net Position, December 31, 2024</b>	\$ <u>(18,337,160)</u>	<u>1,771,054</u>	<u>8,186,302</u>	<u>(8,379,804)</u>

**UNION COUNTY IMPROVEMENT AUTHORITY**  
**(A COMPONENT UNIT OF THE COUNTY OF UNION)**  
**SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	FY 2024 Adopted Budget	FY 2024 Budget as Amended	Current Year Actual	Excess / (Deficit)	Prior Year Actual
<b>Revenues:</b>					
Operating Revenues:					
Administration Fees	\$ 246,656	246,656	262,612	15,956	241,118
Insurance Fees	50,000	50,000	187,056	137,056	55,969
Lease Payments - Current Principal	13,602,280	13,602,280	13,602,280	-	13,852,928
Lease Payments - Current Interest	9,858,084	9,858,084	9,858,084	-	10,418,333
Park Madison Lease Rents	2,171,547	2,171,547	1,403,511	(768,036)	1,361,308
Park Madison Lease Interest			161,097	161,097	181,943
Rents - Ground Lease Income	12,000	12,000	12,000	-	12,000
Excess Park Madison Operation	540,279	540,279	810,318	270,039	279,890
Lease Reimbursements	1,000,000	1,000,000	1,000,000	-	960,000
Insurance Claims			25,000	25,000	230,800
Non Operating Revenues:					
Interest on Investments and Deposits	25,000	25,000	220,844	195,844	128,784
Other Income	7,500	7,500	591,226	583,726	294,642
<b>Total Revenues and Unrestricted Net Position</b>	<u>27,513,346</u>	<u>27,513,346</u>	<u>28,134,028</u>	<u>620,682</u>	<u>28,017,715</u>
<b>Expenses:</b>					
Operating Appropriations:					
Administration					
Personnel:					
Salaries and wages	75,000	75,000	-	75,000	
Fringe Benefits	79,935	79,935	2,247	77,688	55,447
Other Expenses:					
Professional Fees	500,000	500,000	333,697	166,303	118,187
Office Expenses	50,000	50,000	4,888	45,112	6,732
Insurance	150,000	150,000	84,975	65,025	85,017
Miscellaneous	26,500	26,500	660	25,840	6,619
Cost of Producing Services					
Other Expenses:					
Rents & Common Area Costs	2,171,547	2,171,547	1,244,217	927,330	1,892,505
<b>Total Operating Appropriations</b>	<u>3,052,982</u>	<u>3,052,982</u>	<u>1,670,684</u>	<u>1,382,298</u>	<u>2,164,507</u>
Non-Operating Appropriations:					
Debt Service					
Bond and Loan Principal	14,602,280	14,602,280	14,602,280	-	14,812,928
Interest on Bonds and Notes	9,858,084	9,858,084	9,841,417	16,667	10,402,333
<b>Total Non-Operating Appropriations</b>	<u>24,460,364</u>	<u>24,460,364</u>	<u>24,443,697</u>	<u>16,667</u>	<u>25,215,261</u>
<b>Total Expenses</b>	<u>27,513,346</u>	<u>27,513,346</u>	<u>26,114,381</u>	<u>1,398,965</u>	<u>27,379,768</u>
<b>Excess (Deficit) of Revenues Over Expenses</b>	-	-	2,019,647	2,019,647	637,947
<b>Reconciliation of Budgetary Basis to GAAP:</b>					
Depreciation Expense			(60,033)		(60,033)
Principal on Bonds Payable			1,000,000		960,000
Amortization Expense			224,250		224,249
Net Pension Adjustments					617,899
<b>Change in Net Position</b>			<u>3,183,864</u>		<u>2,380,062</u>

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)  
ROSTER OF OFFICIALS  
DECEMBER 31, 2024**

<b><u>COMMISSIONERS</u></b>	<b><u>POSITION</u></b>
Christopher Kolibas	Chairperson
Scott M. Huff	Vice Chairperson
Andrea Mojica	Secretary
Steve Gary Hockaday	Treasurer
David Barnett	Commissioner
Jonathan Boguchwal	Commissioner
Jenny Davis Toth	Commissioner
Ahmed Shehata	Commissioner
Terri Hudak	Commissioner

**Government Auditing Standards Report**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
DAVID BOTTGE, CPA, RMA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
KARI FERGUSON, CPA, RMA, CMFO, PSA  
ROBERT C. MCNINCH, CPA, CFE, PSA  
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE  
POMPTON LAKES, NEW JERSEY 07442  
PHONE: (973)-835-7900  
FAX: (973)-835-6631  
EMAIL: [OFFICE@W-CPA.COM](mailto:OFFICE@W-CPA.COM)  
[WWW.W-CPA.COM](http://WWW.W-CPA.COM)

**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**

Honorable Chairperson and Commissioners  
Union County Improvement Authority  
10 Elizabethtown Plaza, 5<sup>th</sup> Floor  
Elizabeth, NJ 07207

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Union County Improvement Authority, as of and for the year ended December 31, 2024, and the related notes to the financial statements, and have issued our report thereon dated May 15, 2025.

***Internal Control Over Financial Reporting***

In planning and performing our audit on the financial statements, we considered the Union County Improvement Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Union County Improvement Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Union County Improvement Authority'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 entity'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.



Honorable Chairman and Members of the  
Union County Improvement Authority  
Page 2.

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Union County Improvement Authority'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### ***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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Wielkotz & Company, LLC***

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

May 15, 2025



**Single Audit Section**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
DAVID BOTTGE, CPA, RMA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
KARI FERGUSON, CPA, RMA, CMFO, PSA  
ROBERT C. MCNINCH, CPA, CFE, PSA  
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE  
POMPTON LAKES, NEW JERSEY 07442  
PHONE: (973)-835-7900  
FAX: (973)-835-6631  
EMAIL: OFFICE@W-CPA.COM  
WWW.W-CPA.COM

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE AND N.J. OMB CIRCULAR 15-08**

Honorable Chairman and Members of the  
Union County Improvement Authority  
10 Elizabethtown Plaza, 5<sup>th</sup> Floor  
Elizabeth, NJ 07207

**Report on Compliance for Each Major Federal and State Program**

**Opinion on Each Major Federal and State Program**

We have audited Union County Improvement Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the N.J. Office of Management and Budget Circular 15-08 Compliance Supplement that could have a direct and material effect on each of Union County Improvement Authority's major federal and state programs for the year ended December 31, 2024. Union County Improvement Authority'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, Union County Improvement Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2024.

**Basis for Opinion on Each Major Federal and State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.



We are required to be independent of Union County Improvement Authority 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 Union County Improvement Authority'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 Union County Improvement Authority'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 Union County Improvement Authority'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 Uniform Guidance, and N.J. OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional 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 Union County Improvement Authority'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 Uniform Guidance, and N.J. OMB Circular 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 Union County Improvement Authority'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 Union County Improvement Authority'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 N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Union County Improvement Authority'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 and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 and 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 and 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.



Honorable Chairman and Members of the  
Union County Improvement Authority  
Page 4.

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.

*Wielkocz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

May 15, 2024



UNION COUNTY IMPROVEMENT AUTHORITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title/Cluster Title	Assistance Listing Number	State Agency Account Number	Grant Award	Grant Receipts	Grant Period		Grant Expenditures	Cumulative Grant Expenditures
					From	To		
<b>U.S. Department of the Treasury</b> <i>Pass Through New Jersey Department of Community Affairs:</i> Coronavirus State and Local Fiscal Recovery Funds Union County Government Complex	21.027		\$ 20,000,000	\$ 20,000,000	3/2/2021	12/31/2024	\$ 20,000,000	\$ 20,000,000
<b>Total Federal Financial Awards</b>				<u>\$ 20,000,000</u>			<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>

Note: This schedule was subject to an audit in accordance with Uni form Guidance

UNION COUNTY IMPROVEMENT AUTHORITY  
 SCHEDULE OF EXPENDITURES OF STATE ASSISTANCE

DECEMBER 31, 2024

<u>State Funding Department</u>	<u>State Grant Account Number</u>	<u>Grant Award</u>	<u>Grant Receipts</u>	<u>Grant Period</u>		<u>Grant Expenditures</u>	<u>Cumulative Grant Expenditures</u>
				<u>From</u>	<u>To</u>		
<u>New Jersey Department of Community Affairs:</u> Administrative Building Capital Improvement Grant Union County Government Complex	2024-100-022-8030-783-FFFF-6020	\$ 7,300,000	\$ 7,300,000	7/1/2023	6/30/2025	\$ 7,300,000	\$ 7,300,000
<b>Total State Financial Assistance</b>		<u>\$ 7,300,000</u>	<u>\$ 7,300,000</u>			<u>\$ 7,300,000</u>	<u>\$ 7,300,000</u>

Note: This schedule was subject to an audit in accordance with N.J. OMB 15-08

**UNION COUNTY IMPROVEMENT AUTHORITY**

**NOTES TO THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
DECEMBER 31, 2024**

**NOTE 1. GENERAL**

The accompanying Schedule of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Union County Improvement Authority. The Authority is defined in Note 1 to the Authority's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state financial assistance passed through other government agencies is included on the Schedule of Expenditures of Federal and State Financial Assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the accrual basis of accounting. These bases of accounting are described in Notes 1(A) to the Authority's basic financial statements. The information in this schedule is presented in accordance with the requirements of Uniform Guidance and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Authority's financial statements as follows:

	<u>Balance as of</u> <u>12/31/2023</u>	<u>Grant</u> <u>Receipts</u>	<u>Contract</u> <u>Payments</u>	<u>Balance as of</u> <u>12/31/2024</u>
Development Liability				
Union County Government Complex – Federal Grants	\$ -	\$20,000,000	\$(20,000,000)	\$ -
Union County Government Complex – State Grants	<u>-</u>	<u>7,300,000</u>	<u>(7,300,000)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$27,300,000</u>	<u>\$(27,300,000)</u>	<u>\$ -</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. INDIRECT COST RATE**

The Union County Improvement Authority has not elected to use the 10-percent, 15-percent effective October 1, 2024, de minimis indirect cost rate as allowed under the Uniform Guidance.

**UNION COUNTY IMPROVEMENT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_yes  X none reported
2. Material weakness(es) identified? \_\_\_\_\_yes  X no

Noncompliance material to basic financial statements noted? \_\_\_\_\_yes  X no

**Federal Awards**

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  X none reported
2. Material weakness(es) identified? \_\_\_\_\_ yes  X no

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance \_\_\_\_\_ yes  X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  X no



**UNION COUNTY IMPROVEMENT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**(continued)**

*Section II - Financial Statement Findings*

None

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

No matters were reported

**UNION COUNTY IMPROVEMENT AUTHORITY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

**Status of Prior Year Findings**

There were no prior year audit findings.

## **General Comments and Recommendations**

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)**

**GENERAL COMMENTS**

**Contracts and Agreements Required to be Advertised Per N.J.S. 40A:11-3**

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term ‘competitive contracting’, which is defined as “the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors’ formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received.”

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. “When the cost or price of any contract awarded by the purchasing 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 and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations.” If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$44,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

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

Effective July 1, 2015, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$44,000.

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. “Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months.”

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)**

**GENERAL COMMENTS  
(CONTINUED)**

The governing body of the Authority has the responsibility of determining whether the expenditures in any category will exceed the statutory threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Authority Counsel's opinion should be sought before a commitment is made.

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 40A:11-4.

**UNION COUNTY IMPROVEMENT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF UNION)**

**STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS**

Problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

We wish to thank the Union County Improvement Authority for their cooperation during the performance of our audit.

Respectfully submitted,

*Wielkottz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey