

NEW ISSUE
SERIAL BONDS

RATING: Moody's: "Aaa"

In the opinion of Rogut McCarthy LLC, Bond Counsel to the County, assuming compliance by the County with its Tax Certificate described herein, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Bonds that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.

\$3,097,000*

COUNTY OF UNION, NEW JERSEY
County College Bonds of 2025 (Chapter 12 State Aid)
(Non-Callable) (Book-Entry Only)

Dated: June 15, 2025

Due: March 1, as shown on the inside cover page

The County College Bonds of 2025 (Chapter 12 State Aid) (the "Bonds") of the County of Union, New Jersey (the "County"), will be issued as fully registered bonds registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), as registered owner of the Bonds, with the Bonds immobilized in the custody of DTC. Owners of beneficial interests in the Bonds will not receive physical delivery of bond certificates, but are to receive statements or other evidence of such ownership of beneficial interests from sources from which such interests were purchased. Investors may purchase beneficial interests in the Bonds in book-entry form in the denomination of \$5,000 or any integral multiple thereof (except for one odd piece in excess of \$5,000). See "THE BONDS – Book-Entry Only System" herein. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants, which will, in turn, remit such payments to the owners of beneficial interests in the Bonds. Principal of the Bonds is payable on March 1 of each of the years set forth on the inside cover page, and interest on the Bonds is payable on each March 1 and September 1, commencing March 1, 2026, in each year until maturity. The Bonds are not subject to redemption prior to their stated maturities.

The Bonds are general obligations of the County and are secured by a pledge of the full faith and credit of the County for the payment of the principal thereof and the interest thereon. The County is authorized and required by law to levy *ad valorem* taxes upon all the taxable real property within the County for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount. In addition, the Bonds are entitled to the benefits of Chapter 12 of the Laws of 1971 of New Jersey, as amended (N.J.S.A. 18A:64A-22.1 *et seq.*), which provides for appropriations of State aid for the payment of one-half of debt service (principal and interest) on bonds issued for county college capital projects.

The Bonds are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. It is anticipated that the Bonds in definitive form will be available for delivery to DTC in Brooklyn, New York, on or about June 17, 2025.

**ELECTRONIC BIDS VIA PARITY AND
SEALED PROPOSALS WILL BE RECEIVED
UNTIL 11:00 O'CLOCK A.M. ON JUNE 3, 2025
AT THE COUNTY COMMISSIONERS' MEETING ROOM
6TH FLOOR, COUNTY ADMINISTRATION BUILDING
ELIZABETHTOWN PLAZA, ELIZABETH, NEW JERSEY 07207**

* Preliminary, subject to change.

MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS**

<u>Year</u>	<u>Bond Principal</u> *	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number</u> **
2026	\$240,000	%	%	
2027	255,000			
2028	270,000			
2029	285,000			
2030	300,000			
2031	315,000			
2032	330,000			
2033	345,000			
2034	360,000			
2035	397,000			

* Preliminary, subject to change.

** Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the County does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**COUNTY OF UNION, NEW JERSEY
BOARD OF COUNTY COMMISSIONERS**

NAME	TITLE	EXPIRATION DATE OF TERM
Lourdes M. Leon	Chairman	December 31, 2026
Joseph Bodek	Vice Chairman	December 31, 2026
James E. Baker, Jr.	Commissioner	December 31, 2027
Michèle S. Delisfort	Commissioner	December 31, 2026
Sergio Granados	Commissioner	December 31, 2025
Bette Jane Kowalski	Commissioner	December 31, 2025
Alexander Mirabella	Commissioner	December 31, 2027
Kimberly Palmieri-Mouded	Commissioner	December 31, 2027
Rebecca Williams	Commissioner	December 31, 2025

COUNTY OFFICIALS

Edward T. Oatman	County Manager	Indefinite
Bruce H. Bergen, Esq.	County Counsel	*
James E. Pellettiere	Clerk of the Board of County Commissioners	January 31, 2027
Dr. Bibi Taylor	Director of Finance/County Treasurer	*
Julie Origliato	Deputy Treasurer	*

*** At the Pleasure of the County Manager**

Wielkottz & Company, LLC
County Auditors

Rogut McCarthy LLC
Bond Counsel

No dealer, broker, salesperson or other person has been authorized by the County or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the County and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness by the Underwriters, or, as to information from sources other than itself, by the County. All of the summaries of the statutes, documents, ordinances and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents, ordinances and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used in whole or in part for any other purpose.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS OFFERING, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF ANY SUCH INFORMATION.

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**OFFICIAL STATEMENT
OF THE COUNTY OF UNION, NEW JERSEY**

Relating to

\$3,097,000* County College Bonds of 2025 (Chapter 12 State Aid)

INTRODUCTION

This Official Statement (the "Official Statement"), which includes the cover page and the appendices attached hereto, has been prepared by the County of Union (the "County"), New Jersey (the "State"), in connection with the sale and issuance of its \$3,097,000* County College Bonds of 2025 (Chapter 12 State Aid), dated June 15, 2025 (the "Bonds").

This Preliminary Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), but is subject to (a) completion with certain pricing and other information to be made available by the successful bidder for the Bonds and (b) amendment. This Preliminary Official Statement, as so revised, will constitute the "final official statement" within the meaning of Rule 15c2-12.

THE BONDS

General Description

The Bonds shall be dated June 15, 2025 and will mature on March 1 in the years and in the principal amounts shown on the inside cover page hereof. The Bonds shall bear interest from their date, payable on each March 1 and September 1, commencing March 1, 2026 (each, an "Interest Payment Date"), in each year until maturity at the rates shown on the inside cover page hereof. Principal of and interest on the Bonds will be paid to The Depository Trust Company, Brooklyn, New York ("DTC"), acting as securities depository, by the Director of Finance/County Treasurer, acting as Bond Registrar/Paying Agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of the fifteenth day of the month preceding the month in which such Interest Payment Date occurs (the record dates for the payment of interest on the Bonds).

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity and in the principal amount of such maturity. The Bonds will be issued in book-entry form only. Investors may purchase beneficial interests in the Bonds in the denomination of \$5,000 or any integral multiple thereof (except for one odd piece in excess of \$5,000). So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Bond Registrar/Paying Agent directly to Cede & Co. (or any successor or assign), as nominee for DTC. Disbursement of such payments to the participants of DTC is the responsibility of DTC. Disbursement of such payments to the beneficial owners is the responsibility of the DTC participants. See "Book-Entry Only System" below.

Book-Entry Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each year of maturity of the Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates.

*Preliminary, subject to change

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent, if any, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Prior Redemption

The Bonds are not subject to redemption prior to their stated maturities.

SECURITY FOR THE BONDS

General

The Bonds are direct and general obligations of the County for which the full faith and credit of the County will be pledged. The County is authorized and required by law to levy *ad valorem* taxes on all taxable real property within the County for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

Enforcement of a claim for the payment of principal of or interest on the Bonds will be subject to applicable provisions of Federal bankruptcy laws and to the provisions of any statute heretofore and hereafter enacted by the Congress of the United States or by the Legislature of the State affecting creditors rights. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission, whose powers have been vested in the Local Finance Board, Division of Local Government Services, New Jersey Department of Community Affairs (the "Local Finance Board").

County College Bond Act

Within the limits of funds appropriated by the State Legislature for such purposes, the boards of trustees of the county colleges may apply to the State Treasurer and receive State support for (i) capital projects in an amount not to exceed 50% of the cost of said capital projects and (ii) operational costs in an amount not to exceed 50% of the educational and general costs of the county colleges in the base year.

Whenever the funds appropriated by the State Legislature are insufficient to satisfy the State's share of capital projects for county colleges, as described in the preceding paragraph, additional State support for such projects shall, pursuant to the County College Bond Act (N.J.S.A. 18A:64A-22.1 et seq.), be made available to counties in which county colleges are located for the payment of principal and interest on bonds entitled to the benefits of the County College Bond Act and interest on notes issued in anticipation thereof, provided that the total principal amount of such bonds and notes shall not exceed \$265,000,000.

Since the adoption of the County College Bond Act in 1971, the State has made annual appropriations sufficient to provide for the debt service when due on all bonds and notes entitled to benefits of the Act. However, the State is not legally bound to make such appropriations.

The amount of bonds entitled to the benefits of the County College Bond Act is determined by the State Treasurer in the following manner. Whenever the State Treasurer shall determine that he is unable to provide State support for capital projects of a county college within the limit of available State appropriations, the State Treasurer shall determine the necessity or advisability of making available additional State support for such capital project.

To the extent he determines additional support is necessary or desirable, the State Treasurer shall then certify to the Board of County Commissioners of the county in which such capital project is located the amount of bonds that shall be entitled to the benefits of the County College Bond Act, which amount shall not exceed the amount of bonds entitled to the benefits of such Act and not therefore allocated to another capital project. The State Treasurer has certified to the County that the State will provide debt service support for one-half of the debt service on the Bonds.

At any time within one year of the certification by the State Treasurer to the Board of County Commissioners referred to in the preceding paragraph, such county is authorized to issue bonds, or notes in anticipation thereof, in an aggregate amount not exceeding the amount set forth in such certification. Such bonds shall be in addition to the sums authorized to be borrowed by the Board of County Commissioners pursuant to N.J.S.A. 18A:64A-19 for the purpose of funding the county share of such capital projects.

Under the provisions of the County College Bond Act, the State shall annually appropriate and pay on behalf of the County an amount equal to one-half of the principal and interest due on the Bonds. The amounts paid by the State pursuant to the County College Bond Act are paid directly to the Paying Agent, and must be used for the payment of the principal and interest on the Bonds. Any obligations issued by the County that are entitled to the benefits of the County College Bond Act are not debts or liabilities of the State or a pledge of the faith and credit of the State, but are dependent for repayment upon appropriations provided by law from time to time.

AUTHORIZATION AND PURPOSE OF THE BONDS

The Bonds are being issued to provide \$3,097,000 in a new money borrowing to fund the renovation and expansion of the physical education facility at the Cranford Campus of Union County College. The Bonds have been authorized by and are being issued pursuant to the laws of the State, including the Local Bond Law (N.J.S.A. 40A:2-1 *et seq.*) (the “Local Bond Law”). The Bonds are authorized by a bond ordinance and a resolution adopted by the Board of County Commissioners (formerly titled “Chosen Freeholders”) of the County. The bond ordinance was published in full or in summary form after its adoption along with the statement required by the Local Bond Law that the twenty day period of limitation within which a suit, action or proceeding questioning the validity of the bond ordinance can be commenced began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance all obligations of the County shall be conclusively presumed to be fully authorized and issued by all laws of the State, and any person shall be estopped from questioning the sale, execution or delivery of the obligations by the County. The Bonds are also entitled to the benefits of the County College Bond Act.

Purpose of Issue

ORD.		DATE OF ORD.	IMP. NO.	PURPOSE	AMOUNT FUNDED
850	J	12/18/2024	922-246	College - Renovation and Expansion of Physical Education Facility - Ch. 12	\$3,097,000
					\$3,097,000

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

General Information

The following is a brief description of economic factors affecting the County including information concerning population, employment, commercial activity, construction activity and general economic conditions.

The County was incorporated in 1857, and is a suburban political subdivision located in the northeast portion of the State. It is located within the New York Metropolitan Region and along the Boston-Washington Corridor, which is the area of the heaviest accumulation of population and industry in the nation. The County is bounded by Essex County to the north, Morris and Somerset Counties to the west, Middlesex County to the south, and the Arthur Kill to the east. The County comprises an area of about 103 square miles. It is unique in its economic diversification due to its location and excellent infrastructure, including a system of Interstate and State Highways, rail lines, and one of the largest container terminals in the world. Newark Liberty International Airport, located in both Union and Essex counties, is one of the region's busiest airports.

Population

The Union County population based on 2020 United States Census data is 575,345 which represents an increase of 7.24% compared to the County's population in the 2010 Census. The County population compared to the State Population in the same comparative period shows the County's population increasing by 1.58% higher rate compared to the overall state which is attributable to the urban and suburban nature of the County. Union County, based on 2024 population estimate data from the U.S. Census, shows an increase in total population by about 3.3% over the 2020 US Census population data. The State of New Jersey's estimated population for 2024 compared to the 2020 Census Data shows an increase of about 2.3 %. Based on 2024 US Census population estimates, the County population density is 5,781.5 persons per square mile which is about 3.3% higher compared to 2020 Census data's County population density. The New Jersey 2024 estimated population density, based on Census data, is 1,291.8 persons per square mile or about 22.34% of the County's population density. The median age of County residents is 39.5 years compared to median age of 40.4 years for New Jersey residents based on 2023 American Community Survey data, US Census Bureau.

The County has 21 municipalities consisting of five cities, eight townships, seven boroughs and one town. According to the 2020 Census, the population of these municipalities ranged from Winfield at 1,423 persons to Elizabeth at 137,298 persons. According to the 2023 American Community Survey Census data, the population for the two aforementioned municipalities is 1,392 persons in Winfield and 135,829 persons in Elizabeth which reflects a decrease of 2.17% and 1.07%, respectively, compared to 2020 Census data. According to the latest U.S. Census data, from July 1, 2023 to July 1, 2024, Union County's population grew by 2.08%, adding 12,080 residents and bringing the total population to 594,160 making Union County the fastest growing county in New Jersey.

Population Comparison

The following is a table of the population trend of the County, the State, and the United States.

Year	Union County	New Jersey	United States
1930	305,209	4,041,334	123,203,000
1940	328,344	4,160,165	132,165,000
1950	398,138	4,835,329	151,326,000
1960	504,255	4,076,412	179,323,000
1970	543,116	7,168,164	203,213,000
1980	504,094	7,364,158	226,504,025
1990	493,819	7,730,188	248,709,873
2000	522,541	8,414,350	281,421,906
2010	536,499	8,791,894	308,745,538

2015*	548,744	8,904,413	316,515,021
2016*	550,436	8,915,456	318,558,162
2017*	563,892	8,888,543	327,147,121
2018*	558,067	8,908,520	327,167,439
2019*	556,341	8,882,190	328,239,523
2020	575,345	9,288,994	331,449,281
2021*	571,963	9,267,130	331,893,745
2022*	570,417	9,260,817	333,271,411
2023*	572,726	9,290,841	334,914,895
2024*	594,160	9,500,851	340,110,988

Source: US Census Bureau; 2020 Census; * US Census - American Community Survey Population Estimates - July, 2024.

Economic Development

One of the key responsibilities of the Department of Economic Development is to work toward strengthening Union County's economy and positioning the County to compete in a global marketplace by stimulating and creating new jobs, retaining existing businesses, and facilitating economic growth and development in partnership with public/private sectors.

To meet these goals, the Board of Commissioners is committed to a skilled workforce, availability of resources for business owners/managers to help them succeed in a challenging economy, and the development of strong partnerships with key local stakeholders in business and higher education. This commitment is evidenced by:

- The “Union County Means Business” initiative is a continuing series of networking breakfast programs designed to connect the business community with government resources and information to foster growth and job creation. Since its inception in 2012, thousands of members of the business community have gained information on such topics as financing, workforce training, public-private partnerships, e-commerce, and the Affordable Care Act.
- The Union County Women Mean Business (UCWMB) event evolved from the Union County Means Business initiative. This annual UCWMB Summit takes place in the Spring at the Galloping Hill Golf Course. This highly participated event brings together over 250 women from Union County and neighboring areas. It provides a valuable platform for networking, mentorship, resource acquisition, exchanging of ideas, addressing challenges, empowerment, and honoring successful women in business.
- The Union County Workforce Investment Board (WIB), which reviews and approves all applications for government funding of workforce training programs in both private and public sectors, develops overall plans for coordination of workforce training programs receiving government funding. They work closely with area businesses and institutions of higher learning to develop training programs in high demand employment areas helping both unemployed/underemployed residents and growing area businesses.
- The Union County College Industry Business Institute works alongside the County to develop workforce training, continuing education and curriculum to address the needs of the County’s diverse population.
- The Union County Economic Development Corporation, a private, non-partisan organization and strategic Union County partner, specializes in business retention and expansion activities such as technical assistance services to small and medium sized firms. They also offer extensive training in many areas such as procurement, providing significant growth opportunities for area businesses.

The County, together with its municipalities, has completed several economic development projects over the years such as the Midtown Elizabeth Parking/Mixed Use Facility which provides 1500 parking spaces in the Midtown area serving retail customers, government employees and Union County College students and staff. This parking facility was constructed and became fully operational at the start of 2012. This parking facility was developed by the Elizabeth Parking Authority in cooperation with Union County, the Elizabeth Development Corporation and the City of Elizabeth. Besides creating an aggregated parking facility, one of the other key objectives of this collaboration was to free up former parking areas for redevelopment. One example is the newly constructed County Family Court Building on Rahway Avenue and Cherry Street in Elizabeth opened in 2017. The County, through the Union County Improvement Authority, is in the process of constructing a new Union County Government Complex located on West Grand Street in Elizabeth. This complex is proposed to consist of two office buildings totaling approximately 225,000 square feet at a cost of \$150.3 Million.

The County also collaborated with the City of Elizabeth to secure Federal Recovery Zone Facility Bonds to help retain and expand the Wakefern Facility which broke ground in May 2012 and opened for operation on April 18, 2014. The County, City and State helped secure \$44 million in Facility Bonds and the City of Elizabeth added \$2.5 million in a low-interest loan through its Urban Enterprise Zone. The project replaced a 491,775 square foot warehouse with a “state-of the-art” 524,000 square foot warehouse. This project helped retain 345 employees and will add approximately 350 jobs over the next twenty years. The total project cost is over \$70 million. The County helped recruit people to fill 500 full-time positions at the new 495,000 square foot warehouse for the meal kit delivery company, Blue Apron, located in Linden. The Blue Apron warehouse opened in April 2017 and brought 2,000 employees to its Linden facility.

Employment

Based on New Jersey State Department of Labor and Workforce Development (DOL) for December 2024 data, the estimated labor force for the County of Union is 293,800 compared to the State’s labor force of 4,793,700. The County of Union had an estimated unemployment rate of 4.5% compared to the State of New Jersey’s rate of 4.2% for the same time period. This unemployment rate when compared to 2023 data represents about a 0.2% decrease in unemployment for Union County and a 0.3% decrease in the State of New Jersey unemployment rate. Based on the December 2024 unemployment data, Union County had 13,200 unemployed persons while the State had about 201,900 unemployed persons which is mainly attributable to a previously steady market causing a slight decrease in unemployment due to improvements in the economy in the past few years however recent changes in the Federal government may impact employment later this year.

Based on a press release from DOL, NJ Employment Situation, 2024 Benchmark Revisions, March 13, 2025, revised estimates show State 2024 total job growth of 39,800 year-over-year and a slight downward revision to the State’s unemployment rate which continued the 2023 trend. The data showed increases in jobs related to Education and Health services (+4.9% or +37,500) between Dec. 2023 and 2024 and a 1% or greater growth in Government (+6,300), Leisure & Hospitality (+1.5% or +5,900), Financial Activities with a 5.9% reduction in information jobs and less than 1% reduction in construction, business service and trade/transportation/utilities (-0.8% or -7,000) in New Jersey for the same period. The post pandemic period has seen most of the jobs lost return as a result of a strong economy in the 2021 to 2024 period in the State and country.

Housing in the County

Union County, based on US Census Bureau’s American Community is (ACS) 2023 Estimates, has 209,908 housing units with a homeownership rate of 58.9% which is slightly less than 5% lower compared to the State’s homeownership rate of 63.7%. The median value of owner-occupied housing in Union County based on 2023 ACS data is \$458,000 which is less than a percent lower than the State’s median owner-occupied housing value of \$461,000. The County has about 2.8 persons per household compared to about 2.6 persons per household in New Jersey. Based 2023 data from the New Jersey Department of Treasury’s Division of Taxation, Summit has the highest average sale price at \$1,375,023 and New Providence has the highest average property taxes at \$15,267.

Businesses in the County

The County of Union has a diverse business base and population. The County's major businesses includes pharmaceutical companies, such as, Merck and Celgene and a major port (Port of Elizabeth and Newark) facility with a variety of companies that provide a significant number of jobs in a variety of fields including warehousing, shipping, trucking, rail, air cargo, and related businesses, such as, aviation support and associated maintenance. Other major businesses include warehousing, light industrial, and commercial. Major employers in the County also include medical facilities, government, and higher education facilities.

The business with the most employees, based on the 2024 Major Employers Report by the Union County Economic Development Corporation (UCEDC), in the County is Merck with approximately 6,000 employees in various labs and offices in Rahway. Due to market changes, Merck facilities in Union Township and Summit closed in 2014. These closings were offset by Merck's decision to relocate its headquarters from Hunterdon County to Kenilworth. It was announced in the Spring of 2020 that Merck intended to consolidate its campuses and move its New Jersey operations to a single Rahway headquarters by the end of 2023. Onyx Equities LLC and Machine Investment Group which acquired the 108-acre campus in February 2023 announced it will collaborate with Outshine Properties on the renovation and leasing strategy of the site. The former Merck site in Kenilworth is now known as the Northeast Science & Technology Center (NEST). To date NEST has secured the following tenants; CoreWeave which provides cloud computing services, NJIT (the first academic partner) which will use its space to focus on cutting edge research in various areas of science and Revlon which has relocated its science and innovation lab to the NEST site where it will continue to develop advanced consumer inspired products across its range of beauty and personal care brands. The former Summit location of Merck was acquired by biopharmaceutical company, Celgene, which was subsequently acquired by Bristol Myers Squibb in the Fall of 2019. Kenvue, a spinoff of Johnson & Johnson, is to be located in a 46- acre research & development facility in Summit. On March 19, 2025 an official ribbon cutting ceremony took place to mark the opening of the new 290,000 square foot Kenvue global headquarters in Summit.

Another major employer in the County is Nokia (formerly Alcatel-Lucent) in New Providence, which recently sold its property to Vision Real Estate Partners and Woodmont Properties. The new owners have not announced plans for the property as they will wait for Nokia to complete their relocation in 2028. Nokia will leave its New Providence headquarters over the next five years and relocate to a state-of-the-art facility in New Brunswick. Other major employers include Maher Terminals in Elizabeth; Children's Specialized Hospital in Mountainside; Kean University in Union; Union County College in Cranford, Elizabeth and Plainfield; Summit Health in Berkeley Heights; Trinitas Regional Medical Center, in Elizabeth; and Overlook Medical Center in Summit.

Industrial, Commercial, & Office Price Per Square Foot

Property Type	Price per Square Foot		High & Low For	
	Lease (\$)	Sale (\$)	Town	Associated Towns
Industrial	-----	890+	Hillside	High
	-----	185	Garwood	Low
	40	-----	Cranford/Rahway	High
	<20	-----	Elizabeth/Plainfield	Low
Office	-----	1,000	Mountainside	High
	-----	175	Cranford	Low
	220	-----	Linden	High
	15	-----	Clark	Low
Retail	-----	1,670	Linden	High
	-----	90	Scotch Plains	Low
	102	-----	Linden	High
	20	-----	Berkeley Heights	Low

2024 UCEDC – Union County Real Estate Report

State and County offices in Elizabeth along with County and municipal government agencies are large employers in the County. The following tables and lists outline leading businesses, industrial parks, and office parks in the County. Also included is a list of major commercial development and public improvement projects proposed throughout the County.

LEADING COUNTY PRIVATE BUSINESSES

Firm	Location	Nature of Business	# of Employees
Merck & Co.	Kenilworth, Rahway	Pharmaceuticals	6,000
Overlook Hospital	Summit	Hospital	3,487
Trinitas Hospital	Elizabeth	Hospital	3,000
Maher Terminals	Elizabeth	Shipping	1,000+
Blue Apron	Linden	Meal Service	2,000
Summit Medical Group	Various	Medical	2,305
Nokia	New Providence	Telecommunication	1,800
Kean University	Union	Education	1,000+

Source: Major Employers Report, UCEDC, 2024

Industrial/Office Parks

Liberty Hall Corporate Center
Morris and North Avenues, Union; managed by Colliers International

Connell Corporate Park I - IV
200 Connell Drive, Berkeley Heights; managed by Connell Realty and Development Co.

Cranford Business Park I and II
14-25 Commerce Drive, Cranford, and 65 Jackson Drive, Cranford, Signature Acquisitions

Cranford Office and Industrial Park
Commerce Drive, Cranford; managed by Signature Acquisitions

Morris Plaza I and II
Morris Avenue, Union; managed by M. Alfieri Co.

Murray Hill Office Park
South St. & Central Ave., New Providences; managed by Signature Acquisitions

Office Evolution – Clark
100 Walnut Avenue, Clark, managed by Office Evolution

Office Evolution – Summit
350 Springfield Avenue, Summit, managed by Office Evolution

Source: Union County Economic Development Corporation (UCEDC) – Union County, NJ Profile 2024

UNION COUNTY MAJOR COMMERCIAL AND PUBLIC DEVELOPMENT PROJECTS

<u>Municipality</u>	<u>Project Name</u>	<u>Value in Million \$</u>	<u>Jobs</u>	<u>Status</u>
Berkeley Heights	The District	400	n/p	In Progress
Clark	L'Oreal New Research & Development Center	200	n/p	In Progress
Clark	52 Westfield Avenue (Old A&P)	30	n/p	Proposed
Cranford	Walnut Ave & Chestnut Street	n/p	n/p	In Progress
Elizabeth/Newark	Terminal A Redevelopment	2.7 B	1,000	In Progress
Elizabeth	General Hospital – Mixed Use	85	n/p	In Progress
Elizabeth	Vinty-Faros-Mas, LLC - Mixed Use	100	n/p	Completed
Garwood	Vermella at Garwood Station – Mixed Use	n/p	n/p	In Progress
Garwood	2 North Avenue – Mixed Use	1.3	n/p	Proposed
Linden	Legacy Development (Former GM)	550	2,400	In Progress
Linden	Linden Logistics Center	n/p	n/p	In Progress
Linden	Merida at 1001 West Elizabeth – Mixed Use	90	n/p	In Progress
New Providence	PBK44 NP LLC	n/p	n/p	Proposed
Plainfield	701 West Seventh Street	5	n/p	Proposed
Plainfield	719-731 West Front Street	3.5	16	Proposed
Plainfield	216-232 Front Street Offices	4.8	12	Proposed
Plainfield	The Bank on the Park	4.8	16	Proposed
Plainfield	101-209 West Second Street Commons	5	16	Proposed
Roselle Park	County Educators Fed Credit Unit	4.8	n/p	In Progress
Roselle Park	Fermmoor Homes-Urban Renewal	14.3	n/p	In Progress
Roselle Park	Meridia at Park Square	140	n/p	In Progress
Springfield	The Metropolitan	50	20	In Progress
Union Township	Centurion Union Center	n/p	n/p	In Progress
Westfield	440 North Avenue E LLC	1.4	n/p	Proposed
Westfield	Greene Building	1.4	n/p	Proposed

Source: UCEDC Major Development Report, 2024 Notes: n/p – not provided

Transportation

The economy of Union County is centered upon its strengths in its diverse labor force, regional location and transportation access. The County is a major transportation nexus, served by eight railroad lines and major highways, such as, the NJ Turnpike with two exits, the Garden State Parkway with eight exits, Interstate Highways 78 with eight exits, and 278 with two exits, US Routes 1 & 9, and US Route 22. The County has 1,427 miles of roads and 170 miles of these roads are County roads. The County has two airports; Newark Liberty International Airport (partially in Union County and one of the largest airports in the country with extensive domestic and international destinations) and Linden Airport (provides local aviation and helicopter support). Newark Liberty Airport's international service also includes non-stop service to major Asian and European cities. The Port of New York and New Jersey serves as a significant employment center and hub for freight in the region with access to the waterways, access to major highways in Elizabeth/Newark area, access to Newark Liberty International Airport, and access to railways within the County's boundaries.

The sections below outline transportation related services and activities that relate to Union County as follows: Port Activity, Airport, Rail, Bus, Roadways and transportation improvement projects.

Port Activity

The Port of New York and New Jersey (PONYNJ) is the largest port on the East Coast of North America, third largest in the nation and a major creator of jobs and economic activity. Based on 2022 activity, it supports more than 563,700 regional jobs, and generates more than \$47.2 billion in personal income, \$135.3 billion in business income and close to \$15.7 billion in local, state and federal tax revenues. Through an integrated freight network with more destinations than any other US port, this gateway serves 28 million consumers in the immediate vicinity and approximately 106 million more within a 36-hour reach.

The PONYNJ has port tenants in many sectors of the maritime industry including container terminals, auto processing centers, liquid and dry bulk entities, warehousing operations, truck depots, intermodal rail facilities, a cruise terminal and the region's only dry dock facility. The Port facilities of Newark, Elizabeth, Port Jersey, Greenville Yards and Howland Hook provide approximately 44,000 linear feet of berthing space.

The Port Authority's Port Department manages approximately 2,830 acres of maritime waterfront property dispersed throughout the New York Harbor, located within the two states over four counties and five municipalities and facilitates the transport of billions of dollars in cargo that move through those facilities. The port facilities include five container terminals, four on/near dock rail terminals, chassis and container depots, warehousing and distribution space, bulk cargo facilities, automobile receipt, delivery and processing facilities and other port support services.

Through year end 2024, the Port handled 8,698,526 - 20-foot equivalent units (TEUs) and captured over 35% of the North American East Coast market share. The Port is equipped to deal with virtually every type of cargo, including vehicles, containers, liquid and dry bulk loads, and much more. Also, through year end 2024, auto volumes were at 410,092 units, an increase of 1.7% from the same period in 2023. The total value of all cargo handled in 2024 was approximately \$246 billion, a 3.3% increase over 2023.

ExpressRail, the Port Authority's ship-to-rail system, handled 639,657 lifts through December 2024, representing a 1.7% increase from 2023. ExpressRail accounts for approximately 13.3% of all container lifts at the Port through December 2024. The agency has invested more than \$600 million in its intermodal rail infrastructure – including the ExpressRail Elizabeth intermodal rail facility – the first of four rail terminals in the Port's ExpressRail network which has the capacity for 1.5 million rail lifts a year. Getting goods into the hands of consumers as quickly as possible through an efficient and reliable transportation network is the cornerstone of the port's competitive edge with global markets. ExpressRail enhances service reliability and operational efficiency, improves the environment and reduces congestion, generates jobs and economic activity, increases access to inland cargo markets and helps capture a higher percentage of East Coast market share.

In June 2017, the Bayonne Bridge "Raise the Roadway" Project was completed seven months ahead of schedule. The bridge raising project enables today's larger, more efficient and more environmentally beneficial container ships to pass beneath the Bayonne Bridge when traveling to Port Newark and Elizabeth - Port Authority Marine Terminal and Howland Hook, Staten Island. The U.S. Coast Guard certified the bridge's new navigational clearance at 215 feet, equivalent to the Verrazano-Narrows Bridge, from previous 151 feet– allowing vessels up to 18,000 TEUs from previous maximum of 9,500 TEU vessels to travel underneath it to port terminals. In 2024, 43% of vessel calls would have been unable to transit under the Bayonne Bridge prior to the raising of the bridge.

Newark Liberty International Airport – Passenger and Cargo Activity

Newark Liberty International Airport (NLI) continues to rebound from Covid-19 Pandemic with respect to passenger and cargo volumes. NLI had over 29 million passengers in 2021, which represents an 82.7% increase compared to 2020 but still 62.7% less compared to the record number of passengers in 2019 pre-Covid 19 Pandemic of 46,336,452 passengers based on the 2021 Port Authority's Airport Traffic Report. According to this report, NLI in 2021 handled 792,514 short tons of freight and 58 tons of mail.

In 2021, domestic freight tonnage experienced an annual increase of 6.3% compared to 2020, while international freight tonnage had a significant increase of 34% likely due to lessening Pandemic issues, manufacturing backlogs, and easing of supply/material shortages.

In 2021, the airport generated about \$29.3 billion of economic activity in sales, as well as \$10.8 billion in wages to the metropolitan region and had an annual total airport employment 19,247 workers which represents an 11.3% increase compared to 2020. The overall number of full-time jobs supported by Newark International Airport is 128,329 jobs based on the 2021 Air Traffic Report. The Port Authority broke ground in 2017 with an investment of \$2.7 billion to replace Terminal A with connections to future Terminal 1 which opened recently. The new one million square foot Terminal A features 33 common use gates. A new parking facility will offer 2,700 public parking spaces and 3,360 rental car spaces to support 10 rental car businesses.

In 2019, the Port Authority Board authorized \$2.05 billion to build a new Airtrain at the airport. Newark Liberty International Airport's AirTrain system provides connections to NJ Transit and Amtrak rail links for connections between the airport and New York City, Philadelphia, points across New Jersey, and destinations beyond. Thousands of daily riders also use AirTrain Newark to travel between passenger terminals and to connect to parking lots and rental car areas. In 2021, the number of passengers who accessed NLI airport by New Jersey Transit and AirTrain totaled 6,095,155 and 116,483 passengers accessed the airport by Olympia Trail buses.

Linden Airport

In addition to Newark Liberty International Airport, the County has one local general aviation airport in Linden. In recent years, this airport had been redeveloped with totally new facilities (i.e., FBO hangar, Tee hangars, fuel farm, etc.) The Linden Airport hosts approximately 43,000 flights per year or about 120 flights per day. The airport consists of a 188-acre facility with one (two direction) runway, at a length of 4,137 feet. This airport is the home base for approximately 143 aircraft, including a number of area television station helicopters and private airplane services.

Freight Rail Service

In addition to passenger rail services, there is rail freight service on the four passenger train routes and other lines provided by CONRAIL Shared Assets Organization (CSAO), making up a total of approximately 53.58 miles of railroad right-of-way traversing the County. This rail switching company is a joint venture of Norfolk Southern Corporation and CSX Corporation. Thus, Union County businesses have access to both of these major rail freight systems. In addition, the Canadian Pacific Railroad has intermodal freight facilities in nearby Essex County that are available to Union County businesses. In the port district, the Port Authority of New York and New Jersey continues improving its on-dock rail terminals, port equipment and services it provides in the Port Elizabeth area.

Fourteen miles of non-service rail freight lines (former Rahway Valley and Staten Island Railroads) within the County were purchased by the State of New Jersey Department of Transportation in 1994 for potential future freight activity. Union County took responsibility for these lines with cooperation from NJDOT in 2000 and contracted a rail company to reactivate freight service on these lines in order to foster economic development along these corridors. Parts of the Staten Island Railroad section of the line were refurbished. The County continues to maintain the two freight lines but the project has been placed on hold by NJDOT. Attempts by DOT to find a new rail company to complete and operate these lines have not materialized and the County's contract for these rail lines with NJDOT will expire before the end of July 2023. These rail lines would have helped adjacent businesses move and receive products however in the end the lack of support by the State and local opposition helped diminish the viability of the project. NJDOT is considering the use of parts of these former freight lines for pedestrian and bicycle recreation with associated municipalities in the County.

Passenger Rail Services

Union County is served by four major rail passenger lines that are operated by NJ Transit Corporation, the nation's first statewide mass transit operating authority. These are the Northeast Corridor Line (NEC), North Jersey Coast Line (NJCL), Raritan Valley Line (RVL) and the Morris and Essex Line (M&E), the latter of which is composed of the Morristown Line and the Gladstone Branch.

Improvements to the rail system that have already been made or are being engineered directly benefit the County. The communities of Summit, New Providence and Berkeley Heights on the Morris & Essex Line (M&E) have a direct ride into New York City as a result of the Kearny Connection completed in 2004.

This is in addition to Elizabeth, Linden and Rahway along the Northeast Corridor Line (NEC) which has an existing connection to Newark/New York. The Raritan Valley Line began offering 12 "one seat" rides a day during off peak hours in January 2015 which is an expansion of the one seat rides offered since 2014 along this rail line.

The areas around several train stations are undergoing upgrades. Rahway and Midtown Elizabeth on the Northeast Corridor Line (NEC) and Cranford on the Raritan Valley Line are among only nineteen statewide to receive designation as Transit Villages from the NJ Department of Transportation. It is a program promoting mixed-used development of economic vitality in the area surrounding the stations. In 2007, the County completed a Transit Oriented Development Study funded by the NJ Office of Smart Growth. On the Northeast Corridor (NEC), the Rahway station improved its attraction to rail users when, in January 2005, the Rahway Parking Authority opened a 524-space garage. In Cranford, Garwood and Westfield multiple mixed-use developments within a short distance of the associated rail stations have been completed or are under construction.

Union County residents along the Northeast Corridor, North Jersey Coast, Morris & Essex, and Raritan Valley rail lines have access through the Newark Penn Station and Secaucus Junction to New York City and Hudson County. Beginning in March 2014, one-seat ride service was available on the Raritan Valley Line on weekdays during off-peak hours. Hudson County can be accessed via connections at Newark Penn Station (e.g. PATH, Hudson-Bergen Light Rail, etc.). The Port Authority indicated it will explore the potential to extend the PATH into Union County. Secaucus Junction station also provides train passengers from Union County access to Passaic County, Bergen County, and New York City.

A new station in Union Township was successfully added to the Raritan Valley Line in 2003. The addition of the Union Township Station has attracted several housing development projects adjacent to the transit facility and Kean University. The City of Elizabeth and County of Union convinced New Jersey Transit to consider rebuilding the Midtown Elizabeth Train Station Area which initiated a study on the rail station by NJ Transit in 2011. The Elizabeth Midtown Train Station project by NJ Transit is projected to cost \$71 Million. In September 2023, work on the eastbound station building was completed and reopened for customer use. In June 2024, renovations to the westbound station was completed encompassing a fully renovated Elizabeth Station which includes additional platform capacity and access with upgraded elevators and additional staircases, new station buildings and a renovated public plaza.

Based on New Jersey Transit data for average weekly passenger boardings for FY 2024's first quarter are shown in a below table for the three rail lines by associated stations in noted Union County municipalities:

Station Name	Rail Line	Average Weekday Boarding
Elizabeth	Northeast Corridor	2,810
North Elizabeth	NEC	663
Linden	NEC	1,761
Rahway	NEC	2,039
Cranford	Raritan Valley Line	667
Fanwood	RVL	518
Garwood	RVL	112
Plainfield Stations	RVL	847
Roselle Park	RVL	577
Westfield	RVL	1,239
Union Township	RVL	901
Berkeley Heights	Morris & Essex Lines	266
New Providence Stations	M&E	455
Summit	M&E	2,306

Source: New Jersey Transit, FY 2024 Weekday Ridership Data

Based on FY 2024 NJ Transit data, rail ridership shows a significant increase between 2023 and 2024 due to post Covid-19 Coronavirus Pandemic recovery. The four Union County rail stations on the Northeast Corridor experienced an increase in an average weekly ridership by 12.4% compared to 2023 as the region recovered from the Pandemic. The Raritan Valley Line (RVL) with eight Union County stations experienced a greater ridership increase of 21.8% as compared to the prior year while the Morris and Essex Line (M&E) with four stations in the County experienced 27.3% increase in ridership compared to the first quarter of 2023. In general, the number of rail passenger trips experienced in Union County has significantly increased as the region moves forward from the Covid-19 Coronavirus impacts to the general economy and to transit services. The overall increase in weekly rail passenger trip numbers for all three rail lines and stations that service Union County is promising and shows continued growth in the economy and employment in the region, as noted in the Economic section above, which will increase the demand for rail ridership and transit use in the near future.

Bus Service

The New Jersey Transit Corporation based on 2019 data operates 27 different bus routes, which includes three other carriers who operate additional routes in the County. These bus routes combine to have over 2,000 bus stops and serve all 21 municipalities in Union County. Based on NJ Transit's October 2023, 4th Quarter (July-Sept. 2023) report, bus routes generated a total of 14.4 million New York interstate passenger trips and 13.7 million North Jersey intrastate bus passenger trips, representing an increase of 26.1% and 14% respectively compared to the same period the prior year. The NY interstate bus passenger trips, based on the noted quarterly data, show an increase in ridership of 22.8 % for bus lines deriving from the Essex/Union/North Middlesex area over the last twelve months. Comparably the North Jersey intrastate buses in the Essex/Union/North Middlesex area show a 13.9% increase in ridership over the past twelve months. This increase in bus ridership may be attributable to improvements in the economy and post Pandemic impacts to the region.

Other bus services in the County include private bus lines and special buses to New York City, beach areas or Atlantic City for daily excursions. Specific shuttle routes such as the Township of Union provide residents access to the local rail stations. The Township of Cranford required the Woodmont Station (a recent 163-unit residential development) developers to provide a shuttle for residents needing rail station access. A previous pilot shuttle service continues to serve the retail center on Route 22 taking employees across the highway to prevent pedestrians crossing Route 22.

Major Roadways

Union County is served by the following regional arterial highways: the NJ Turnpike, the Garden State Parkway, Interstate Routes 78 and 278, United States (US) Route 22, US Routes 1 & 9, and New Jersey Routes 24, 27, 28, 82 and 439. These roadways serve Union County residents as the main means within and around the County for access to employment, schools, shopping, recreation and various other activities. The major roadways also provide access to the three main rail lines that traverse the County and provide easy access to New York City, Trenton, Philadelphia, and other major cities along the east coast as an alternate means to vehicle use on major roadways.

Major Transportation Projects

The County has conducted numerous studies with regard to transportation, safety and infrastructure deficiencies to address future transportation needs. These efforts have identified major transportation related opportunities noted below:

- North Avenue Corridor Improvements, Elizabeth- As part of the Kapkowski Road Transportation Planning Study concluded in October 2003 and the ongoing design work on the North Avenue Corridor Improvement (NACI) Project, a series of improvements will separate port destined traffic from those accessing the burgeoning commercial and retail development in the waterfront area of Elizabeth. The project received additional federal transportation earmark funds, an allocation of the Liberty Corridor monies and support from the Port Authority of New York and New Jersey. The County continues to work with the Port Authority on moving this project forward.
- Tremley Point Access in City of Linden – In cooperation with the New Jersey Turnpike, this project will give direct truck access to over 400 acres of brownfields redevelopment for port and distribution related activities. Due to its close proximity to Port Elizabeth/Newark and Newark Liberty International Airport, it is anticipated that this area could accommodate over 4 million square feet of new distribution facilities. The construction of the Tremley Point Connector Road by the New Jersey Turnpike has received funds through the Liberty Corridor and the necessary environmental approval process is advancing. Union County continues to actively work with New Jersey Turnpike, City of Linden and other transportation agencies in relation to advancing the associated roadway improvements, connecting bridge, as well as, rail access and potential barge access to the Tremley Redevelopment Area. In association to this area a rail bridge is proposed by the Goodman North American Partners 2.8 million square foot warehouse building along Graselli/South Wood Avenue to improve access to this proposed facility in the Tremley Point area.

- Cross County Rail link – this would provide rail access from Midtown Elizabeth along the former CNJ rail line to a connection at the Raritan Valley Line in Cranford. The transportation access link would provide commuter's access to the Northeast Corridor which has additional frequency and direct connections to New York City. NJ Transit is considering a Bus Rapid Transit (BRT) as an alternative to rail access along the Cross County right-of-way. The BRT would also include bicycle and pedestrian access adjacent to the dedicated bus lanes.

Utility Services

Three state regulated and investor-owned utility companies provide all electric and gas services to the residents of the County. Public Service Electric & Gas (PSE&G) provides the majority of the County's electric needs. General Public Utilities serve the northwestern sector of the County, which includes Springfield, Berkeley Heights, New Providence and a portion of Mountainside. The Elizabethtown Gas Company provides gas service to a major portion of the County, while Plainfield, Springfield, Summit, Berkeley Heights, New Providence and a portion of Mountainside receive their gas service from PSE&G. Utility companies along with federal and state government have been offering incentives for personal and commercial/industrial facilities to incorporate solar systems to their properties to augment traditional energy resources.

The County's water supply is furnished by investor-owned water companies, with the exception of the City of Rahway, which owns its own municipal water system, which is operated by Veolia North America, and the City of Elizabeth, which depends entirely on wholesale water purchase from outside sources. The three major water utility companies that directly supply water to customers in the County are Elizabethtown Water Company, New Jersey-American Water Company and the City of Rahway. During periods of low flow along the Rahway River, the City of Rahway occasionally purchases water from outside sources.

The treatment of sanitary sewerage in the County is presently handled on a regional basis. This method of collection and treatment affords the maximum economy to the participating municipalities. The following regional systems serve the County: The Joint Meeting of Essex and Union Counties, Rahway Valley Sewerage Authority, Plainfield Area Regional Sewerage Authority (customer of Middlesex County Utilities Authority), Linden-Roselle Sewerage Authority and municipally-owned systems that are located in, and provide service to, Berkeley Heights and New Providence.

Health Facilities

The County has seven hospitals located within its boundaries: Overlook, Trinitas, Robert Wood Johnson, Summit Oaks, Children's Specialized Hospitals, and Runnells Specialized Hospital ("Runnells Hospital"). Runnells Hospital, located in Berkeley Heights, was formerly operated by the County of Union but is now operated by a private entity. Children's Specialized Hospital also operates an outpatient rehabilitation facility in the Borough of Fanwood. The Elizabeth area is served by Trinitas Hospital. The County is also home to about 20 extended/adult care/convalescent facilities and numerous surgical centers throughout the County. The County is also serviced by various municipal first aid and ambulance squads, including the Union County EMS, which has sixteen ambulances to assist the municipalities within the County with emergency response and first aid.

Privatization of Runnells Hospital

In 2012, Union County retained Complete HealthCare Resources-Eastern, Inc. (CHR) to study ways to enable Runnells Hospital to operate on a sustainable footing. CHR issued its report in January 2013, which concluded that due to declining Medicare and Medicaid reimbursements along with other significant factors, including decreasing occupancy rates and Medicare census, rising employee and operational costs, and capital expense requirements, the County should consider options for the continuation of Runnells. These options included revenue enhancements, expense reductions, and alternative ownership.

Based upon the conclusions and recommendations of the CHR Report, the County determined to explore transferring the Hospital operations to the Union County Improvement Authority ("UCIA") for the possible transfer of such operations to a third-party, while simultaneously evaluating methods of revenue enhancement and expense reduction. In 2013, as authorized by their respective governing bodies, the County and the UCIA entered into a Memorandum of Understanding; pursuant to which the UCIA undertook a Request for Qualifications and Proposals ("RFQ/P") process seeking a private provider that wished to purchase or lease the Hospital. The Review Committee obtained an independent appraisal of the Hospital which appraised value was determined to be \$26,000,000.

In February 2014, the proposers submitted their responses to the Review Committee. After several months of negotiations, the closing on the sale of the Hospital and the transfer and assumption of certain operations of Runnells Hospital took place on December 15, 2014. The Hospital was sold to Center Management Group, LLC ("Center") for \$26,000,000. The County of Union retained the operation of the Cornerstone Unit of Runnells Hospital under a ten (10) year lease with a subsidiary of Center: Runnells BH Operating, LLC. The unit has been renamed by the County as the Cornerstone Behavioral Health Hospital of Union County.

Union County, pursuant to the Sale/Lease Agreement for Runnells Specialized Hospital from 2014, was required to and did turn over the operation of Cornerstone Hospital to the successor to Center Management on October 16, 2024. As of that date, the County has no further responsibility concerning ownership of the property or the operation of the mental health facility.

Educational, Recreational and Cultural Activities

The County's diversity of people, businesses and supportive systems servicing urban, suburban and rural communities is further strengthened by its educational, recreational and cultural assets. The County is the birthplace of many renowned scholars, athletes, inventors, researchers and statesmen. The history of the County is rich in elements of the early American foundation movements. Additionally, the County's proximity to New York City offers its residents the opportunity to enjoy a wide variety of the finest cultural resources in the world.

Education

Public:

Within Union County there are the following public local education agencies:

- 20 Regular Districts
- 5 Charter Schools
- 1 Vocational Technical School- (contains 6 high school/academies)
- 1 Educational Services Commission
- 1 Jointure Commission
- Rutgers Cooperative Extension

There are 28 local public education agencies. Each agency has individual school buildings in which services are provided to students. Union County services approximately 94,000 students through these local public agencies. Union County has 179 public school buildings (113 elementary, 29 middle schools, 37 four-year high schools).

Non-Public Schools:

There are 61 Non-Public schools located in Union County. Current enrollment status is not known for FY24. The grade span for non-public varies greatly. However, 15 service students between grade levels K-12 and the rest predominately service Pre-K to Eighth grades.

Private Schools for the Disabled:

Currently there are 8 Private-Schools for the Disabled ("PSD") in Union County, which provide services to NJ public student via tuition base paid by local education agency.

Source: Union County Superintendent of Schools 2025

Higher Education

- Kean University of New Jersey, Union Township provides undergraduate and graduate degree.
- Union College of Union County, NJ has campuses in Cranford, Elizabeth, Plainfield and Scotch Plains. Providing associate degree and certificate programs.
- Rutgers Cooperative Extension (RCE) of Union County provides educational programs for adults and youth through 3 departments: Family & Community Health Sciences, 4-H Youth Development and Agriculture/Resource Management and is one of twenty-one RCE county offices in New Jersey as "Rutgers in the County". Cooperative Extension is a nation-wide network of educators funded through: (1) the Farm Bill, (2) NJ Agricultural Experiment Station, School of Environmental and Biological Sciences (SEBS) at Rutgers University, New Brunswick, NJ along with local County Board of Commissioners. Cooperative Extension brings science-based education from Rutgers-New Jersey's Land-Grant University to the public in each county. In 2014 the Cooperative Extension System celebrated its 100th year in the U.S.

Institutes of Higher Education within 15 Miles

- Rutgers University, Newark and New Brunswick Campuses
- New Jersey Institute of Technology, Newark
- Bloomfield College, is now affiliated with Montclair State University, Upper Montclair
- Seton Hall University, South Orange
- Saint Elizabeth University, Convent Station
- Caldwell University, Caldwell
- Drew University, Madison
- Fairleigh Dickinson University, Madison

Source: Union County Superintendent of Schools, 2025

Parks and Recreation

Union County's parks and recreation system is among the finest in the nation. Union County's Department of Parks and Recreation operates and maintains 38 park and recreation areas on approximately 6,400 acres of park land. Trailside Nature and Science Center located in the Watchung Reservation Mountainside includes interactive, state of the art exhibits and classrooms along with a new, award winning Sensory Trail for people with disabilities. The Watchung Stable in the Watchung Reservation offers 26 miles of bridle trails and can house 100 County and privately- owned horses. The Stable is equipped with indoor and outdoor riding rings, horse paddocks and offers lesson, camps, trail rides and more. Recently renovated, the Warinanco Sports Center in Roselle offers year-round sports activities including ice skating, soccer games and tournaments, batting cages, a café and 3 modern rooms for rent. Walter Ulrich Memorial Pool in Rahway and the John Russell Wheeler Spray Park in Linden provide summer fun for all. Two public golf courses – Ash Brook Golf Course in Scotch Plains and Galloping Hill Golf Course in Kenilworth/Union are two exceptional golf facilities within the County. Galloping Hill Golf Course includes a 43,000 square foot LEED Silver certified facility which includes a golf clubhouse, conference center and 300- person banquet facility along with a TaylorMade Performance Lab as part of the driving range at The Learning Center. In addition to an 18-hole golf course and par 27 pitch and putt course at Ash Brook Golf Course, the clubhouse houses a restaurant, pro shop, offices and locker rooms.

There are numerous historic landmarks and sites in the County, 65 of which are included in the National Register of Historic Places. The County-owned Deserted Village of Feltville in Berkeley Heights was selected in 1980 as a National Historic District. From the Merchants and Drovers Tavern in Rahway, a principal stop on the main stagecoach line between New York and Philadelphia during the era 1750 to 1850, to the Drake House in Plainfield, an 18th century farm house once frequented by George Washington, the County has American history, culture and diversification to appreciate.

The County of Union owns and leases a Performing Arts Center to the Union County Performing Arts Center, located in Rahway in the historic Rahway Theatre. The County restored the 1,300-seat facility in 1996 and more recently (2008) renovated the Orchestra/backstage area of the theatre. The UCPAC is in close proximity to the Rahway train station and easily accessible by major roadways. The Performing Arts Center provides live performances, educational, and entertainment for the County and region. The facility hosts a variety of events throughout the year including musical concerts, comedy shows, plays, ballets, children shows and holiday events.

The County is also in proximity to the New Jersey Performing Arts Center and Prudential Center, both in Newark, through various modes of transportation. The PNC Arts Center, in Holmdel, accessible via the Garden State Parkway, and the Meadowlands Sport Complex, in East Rutherford, by the New Jersey Turnpike, are further examples of the resources that surround the County that help to make the County an enjoyable and prosperous place to live, work and conduct business.

COUNTY INDEBTEDNESS AND DEBT LIMITS

Legal Framework

The Local Bond Law provides for the appropriation of funds for certain capital improvements and for the issuance of obligations of the County to finance such appropriations. Bonds of any issue must mature within the average period of usefulness of the items bonded. Serial payment of bond principal is required with no annual installment exceeding by more than 100% the amount of the smallest prior installment. A 5% cash down payment is generally required toward the financing of expenditures for County purposes. The County may sell short-term bond anticipation notes to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or subsequent resolution so provides. Bond anticipation notes are full faith and credit obligations of the County and may be issued for a period not exceeding one year and may be renewed from time to time for up to ten years. The County must begin to amortize such notes beginning in the third year and in each subsequent year. The installment payment that is required to amortize the notes is equal to the amount of the first legally payable installment on the bonds in anticipation of which the notes are issued. If the appropriate amortization is commenced in the third year and in each subsequent year, the notes must finally mature and be paid not later than the first day of the fifth month following the close of the tenth year next following the date of issuance of the original notes.

Debt Limits

The debt of the County is limited by the Local Bond Law to an amount equal to 2% of its equalized valuation basis. The equalized valuation basis of the County is set by statute as the average for the last three years of the equalized value of all taxable real property within its boundaries as annually determined by the State Board of Taxation for each of the three most recent years. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit. The County is within its debt limit. As of December 31, 2024, the County's percentage of statutory net debt was 0.481%.

Although the rental payments under the lease agreements between the County and the Union County Improvement Authority with respect to various County projects, including the Park Madison Building, Juvenile Detention Facility, County College Building, Child Advocacy Center, Family Court Building and the County Administration Complex (recently financed by the Union County Improvement Authority through the issuance of its \$109,645,000 principal amount of County Guaranteed Lease Revenue Bonds Series 2024 (Union County Administration Complex Project) on April 25, 2024) are direct and general obligations of the County, payable from the levy of ad valorem taxes, the rental payments do not constitute "Debt" under the Local Bond Law. Even if such rental payments were considered "Debt" under the Local Bond Law, the County would still be within its debt limit. See "Authority Debt" herein.

Exceptions to Debt Limit – Extensions of Credit

The debt limit of the County may be exceeded only with the approval of the Local Finance Board, Division of Local Government Services (the “Division”) of the New Jersey Department of Community Affairs. If all or any part of the proposed debt authorization would exceed its debt limit, the County must apply to the Local Finance Board for an extension of credit. In considering the request, the Local Finance Board concentrates its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the anticipated ability of the County to meet the proposed obligations. If the Local Finance Board determines, pursuant to statute and regulation, that a proposed debt authorization would materially impair the ability of the County to meet its obligations or to provide essential services, approval would be denied.

Debt Statements

The County must report all new authorizations of debt or changes in previously authorized debt to the Division. The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year, the County must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the County as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowings. Even though the County’s authorizations are within its debt limits, the Division is able to enforce State regulations as to the amounts and purposes of local borrowings.

The following table shows the categories for which the County has issues general obligation bonds as of December 31, 2024. The County’s full faith and credit have been pledged for the payment of the principal of and interest on such indebtedness.

SCHEDULE OF BONDED INDEBTEDNESS AS OF DECEMBER 31, 2024

General County Purposes	\$274,680,000
College Bonds	\$44,385,000
Vocational School Bonds	<u>\$24,035,000</u>
Gross Bonded Debt	\$343,100,000

HISTORY OF BONDED DEBT RATIOS

YEAR	NET VALUATION	GROSS BONDED DEBT AS OF DECEMBER 31	GROSS BONDED DEBT TO NET VALUATION
2020	\$75,252,356,856	\$420,818,000	0.56%
2021	\$77,746,562,530	\$378,043,000	0.49%
2022	\$83,701,680,955	\$397,240,000	0.47%
2023	\$92,871,318,083	\$347,225,000	0.37%
2024	\$101,925,308,241	\$343,100,000	0.34%

Source: Abstract of Ratables, Union County Board of Taxation.

YEAR	POPULATION*	GROSS BONDED DEBT AS OF DECEMBER 31	GROSS BONDED DEBT PER CAPITA
2020	575,345**	\$420,818,000	\$731.42
2021	575,345**	\$378,043,000	\$657.08
2022	575,345**	\$397,240,000	\$690.44
2023	575,345**	\$347,225,000	\$603.50
2024	575,345**	\$343,100,000	\$596.34

** - 2020 Census

SCHEDULE OF COMPARATIVE DEBT

DATE	BONDS OUTSTANDING	BOND ANTICIPATION NOTES OUTSTANDING	AUTHORIZED NOT ISSUED	TOTAL
December 31, 2024	\$343,100,000.00	\$25,800,000.00	\$151,804,870.10	\$520,704,870.10
December 31, 2023	\$347,225,000.00	\$70,000,000.00	\$139,363,175.37	\$556,588,175.37
December 31, 2022	\$397,240,000.00	\$45,000,000.00	\$122,825,859.46	\$565,065,859.46
December 31, 2021	\$378,043,000.00	\$80,000,000.00	\$106,917,607.65	\$564,960,607.65
December 31, 2020	\$420,818,000.00	\$60,000,000.00	\$94,637,870.74	\$575,455,870.74

See also, Schedule of Debt Issued by Other Public Bodies and Guaranteed by the County.

STATUTORY DEBT AS OF DECEMBER 31, 2024

Gross Debt

Serial Bonds issued and outstanding	\$343,100,000.00
Bond Anticipation Notes issued and Outstanding	\$25,800,000.00
Authorized but not issued	\$151,804,870.10
Bonds Issued by other bodies and guaranteed by the County	\$192,054,582.00
Dam Restoration Loans	\$679,307.09
	<u>\$713,438,759.19</u>

Statutory Deductions

Reserve to pay Serial Bonds & Notes	\$20,295,755.35
Cash on Hand to Pay Notes	\$4,413,243.44
Bonds issued by other public bodies and guaranteed by the County	\$192,054,582.00
Bonds issued and bonds authorized but not issued – Capital Projects for County Colleges	\$14,080,000.00
	<u>\$230,843,580.79</u>
	<u>\$482,595,178.40</u>

Net Debt

Equalized Valuation of Real Property

Year 2022	\$92,105,091,244.00
Year 2023	\$99,497,384,403.00
Year 2024	\$109,226,828,464.00

3 year average Equalized Valuation of Real Property **\$100,276,434,703.67**

Percentage of Net Debt of Equalized Valuation Basis **0.481%**

Debt Issued by Union County Utilities Authority And Secured by Deficiency Agreements with the County As of December 31, 2024

Resource Recovery Facility Lease Revenue	
Refunding Bonds (Covanta Union Inc. Lessee-Series 2011 A) (AMT)	\$107,150,000.00
Solid Waste System Revenue Refunding Bonds (County Deficiency Agreement-Series 2011 A) (Tax Exempt)	\$47,245,000.00
Solid Waste System Revenue Refunding Bonds (County Deficiency Agreement –Series 2011 B) (Federally Taxable)	\$2,590,000.00
TOTAL	\$156,985,000.00

See "Authority Debt-Union County Utilities Authority" herein

**SCHEDULE OF DEBT ISSUED BY OTHER PUBLIC BODIES AND GUARANTEED BY THE COUNTY AS OF
DECEMBER 31, 2024**

<u>Issuer*</u>	<u>Purpose</u>	<u>Year</u>	<u>Issued & Outstanding</u>	<u>Unissued</u>	<u>Total</u>
UCIA	Linden Theater	2004	220,000.00	0	220,000.00
UCIA	Child Advocacy Building	2010	215,000.00	0	215,000.00
UCIA	Oakwood	2015	2,179,582.00	0	2,179,582.00
UCIA	Family Courthouse	2017	6,320,000.00	0	6,320,000.00
UCIA	Oakwood Refunding	2018	16,910,000.00	0	16,910,000.00
UCIA	Family Courthouse	2021	44,200,000.00	0	44,200,000.00
UCIA	Renewable Energy Program	2021	2,010,000.00	0	2,010,000.00
UCIA	UC Government Complex	2021	109,645,000.00	10,355,000.00	120,000,000.00
TOTAL			\$181,699,582.00	\$10,355,000.00	\$192,054,582.00

AUTHORITY DEBT

Union County Improvement Authority

The Union County Improvement Authority (the “UCIA”) was created by ordinance of the Union County Board of Chosen Freeholders on June 5, 1986, as amended. From time to time the UCIA has financed eligible projects on behalf of various entities. The bonds issued to finance such projects are special obligations of the UCIA payable solely out of revenues derived from such entities or projects. Because such other bonds are special obligations of the UCIA, any defaults in the payments that may occur by any such entity do not have any effect on the other bonds of the UCIA.

As of December 31, 2024, the UCIA had the following bonds outstanding:

Description of Debt

(all current interest except as noted)

<u>Amount</u>
City of Linden General Obligation Lease Revenue Bonds (Linden Airport Project), Series 1998
\$4,000,000
County Guaranteed Revenue Bonds, Series 2004 (City of Linden – Linden Theater Redevelopment Project) (Federally Taxable)
\$220,000 (1) (2)
City Guaranteed Revenue Bonds, Series 2004 (City of Linden – South Wood Avenue Redevelopment Project) (Federally Taxable)
\$1,820,000
City of Linden Guaranteed Revenue Bonds, Series 2007 (City of Linden Morning Star Redevelopment Project) (Federally Taxable)
\$830,000

Description of Debt**(all current interest except as noted)****Amount**

City of Linden General Obligation Lease Revenue Refunding Bonds (Linden Airport Project) (Federally Taxable), Series 2010	\$900,000
County Guaranteed Revenue Bonds, Series 2010 (Union County Child Advocacy Center Project)	\$215,000 (1)
Lease Revenue Refunding Bonds, Series 2013A (Tax- Exempt) (City of Plainfield – Park Madison Redevelopment Project)	\$17,895,000 (2)
County of Union General Obligation Lease Revenue Bonds, Series 2013A & 2013B (Cranford College Project)	\$6,190,000 (2)
Revenue Refunding Bonds, Series 2014 A & C (County College Facility Project)	\$1,460,000 (2)
Juvenile Detention Center Refunding Bonds, Series 2015A	\$16,275,000
County Guaranteed Revenue Bonds, Series 2015A (Current Interest Bonds) (Oakwood Plaza-Elizabeth Project) (Federally Taxable)	\$400,000 (1)
County Guaranteed Revenue Bonds, Series 2015B (Capital Appreciation Bonds) (Oakwood Plaza-Elizabeth Project) (Federally Taxable)	\$1,779,582 (1)
Linden Omnibus Refunding, Series 2016	\$8,145,000
County Guaranteed Lease Revenue Bonds, Series 2017 (Union County Family Court Building Project-Elizabeth)	\$6,320,000 (1) (2)
County Guaranteed Revenue Refunding Bonds, Series 2018 (Oakwood Plaza-Elizabeth Project) (Federally Taxable)	\$16,910,000 (1)
Solid Waste Disposal Revenue Bonds (Aries Linden, LLC Project) Series 2019 (AMT) (Green Bonds)	\$20,565,000
County Guaranteed Lease Revenue Refunding Bonds, Series 2021 (Union County Family Court Building Project)	\$44,200,000 (1) (2)
Solid Waste Disposal Revenue Bonds (Aries Linden, LLC Project) Series 2021 (AMT) (Green Bonds)	\$11,500,000
County Guaranteed Renewable Energy Program Revenue Bonds, Series 2021	\$2,010,000 (1)
Solid Waste Disposal Revenue Bonds (Aries Linden, LLC Project) Series 2023	\$8,500,000
Total Outstanding UCIA Debt as of December 31, 2024	\$170,134,582.00

(1) This debt is guaranteed by the County.

(2) This debt is paid by the County subject to annual appropriations as a lease payment.

Lease Payment Default in County Guaranteed UCIA Oakwood Plaza Bond Issue

On December 28, 2018, the UCIA issued its \$19,620,000 County Guaranteed Revenue Refunding Bonds, Series 2018 (Oakwood Plaza-Elizabeth Project) (Federally Taxable) (the “2018 Oakwood Plaza Bonds”). The County, in accordance with the terms of its County guaranty and pursuant to the County Guaranty Agreement dated as of December 1, 2018 (the “County Guaranty”) between the County, Wells Fargo Bank, N.A. (the “Trustee”) and the UCIA, fully, unconditionally, and irrevocably guaranteed the timely payment of the principal of and in interest due on, the 2018 Oakwood Plaza Bonds.

The 2018 Oakwood Plaza Bonds are secured by the Trust Estate (as defined in the Trust Indenture dated as of December 1, 2018, between the Authority and the Trustee). The Trust Estate includes, among other things, a lien and pledge of Revenues, which includes payments made to CIS Oakwood, LLC (the “Developer”) by four entities which operate the Parkers View, Parkers Walk, Westminster Heights and Oaks at Westminster pursuant to various ground leases. Those entities, in turn, rent units to low income residents by property. The payments pursuant to the various ground leases (derived from the rents) were structured to be sufficient, collectively, to pay debt service on the 2018 Oakwood Plaza Bonds.

On September 1, 2021 and September 2, 2021, flooding resulting from Hurricane Ida caused significant damage to all four projects. As a result, tenants in the buildings were forced to relocate to other residences causing a loss in the rents from the tenants. Consequently, there were insufficient funds generated, collectively, from each of the ground leases to pay the required debt service on the 2018 Oakwood Plaza Bonds.

Principal and Interest on the 2018 Oakwood Plaza Bonds in the amount of \$1,102,216.15 was due on December 1, 2021. Pursuant to the County Guaranty, the County paid an amount of \$502,216.65 that, together with \$600,000 of available monies on deposit in the Debt Service Fund of the Bond Resolution, was sufficient to pay the principal of, and interest due on the 2018 Oakwood Plaza Bonds on December 1, 2021. Interest on the 2018 Oakwood Plaza Bonds in the amount of \$517,822.15 was due on June 1, 2022. Pursuant to the County Guaranty, the County paid an amount of \$507,800.61 that, together with \$10,021.54 of available monies on deposit in the Debt Service Fund of the Bond Resolution, was sufficient to pay the interest due on the 2018 Oakwood Plaza Bonds on June 1, 2022. Principal and interest on the 2018 Oakwood Plaza Bonds in the amount of \$1,122,822.15 was due on December 1, 2022. Pursuant to the County Guaranty, the County paid such entire amount of debt service due on the 2018 Oakwood Plaza Bonds on December 1, 2022. To the extent payments are made under the County Guaranty, the City of Elizabeth (the “City”) is obligated to make payments to the County of one-half of the deficiency paid by the County, up to \$10,000,000, as partial repayment to the County of any funds extended by the County under the County Guaranty. The aggregate principal amount of the 2018 Oakwood Plaza Bonds currently outstanding is \$16,910,000.

The County also paid the full \$10,500 December 1, 2022 interest payment due on the UCIA’s \$400,000 County Guaranteed Revenue Bonds, Series 2015A (Current Interest Bonds) (Oakwood Plaza – Elizabeth Project) (Federally Taxable) (the “2015A Oakwood Plaza Bonds”) pursuant to a county guaranty. The 2015A Oakwood Plaza Bonds are currently outstanding in the principal amount of \$400,000, were part of the Oakwood Plaza Apartments financing, and are secured by the Trust Estate (as defined in the Trust Indenture dated November 15, 2015, between the Authority and the Trustee), which includes revenues generated from the operation of Parkers Walk Project.

The Developer secured significant State funding in December 2022 to rehabilitate Oakwood Plaza Apartments and pay the County back in full the amounts it paid in bond guaranty payments. The County then reimbursed the City for payments made by the City to the County under the City’s guaranty. Moreover, the Developer secured the necessary funding to pay debt service on the 2018 Oakwood Plaza Bonds and the 2015A Oakwood Plaza Bonds through June of 2023. The Project received final certifications of occupancy for completion of the rehabilitation in December 2023. The Project began to re-occupy in January 2024 and expects full occupancy of all properties by June 2025. The County appropriated sufficient monies in the 2023 and 2024 budgets to pay for all debt service due on the 2018 Oakwood Plaza Bonds and the 2015A Oakwood Plaza Bonds in 2023 and 2024; however, the Developer was able to make the 2023 and 2024 debt service payments. The County appropriated sufficient monies in the 2025 temporary budget to pay for all debt service due in 2025 for the Oakwood 2015 and 2018 series bonds.

The 2018 Oakwood Plaza Bonds and the 2015A Oakwood Plaza Bonds are not in default, and the principal amounts of the 2018 Oakwood Plaza Bonds and the 2015A Oakwood Plaza Bonds have not been accelerated. Accordingly, the debt service payment schedules for the 2018 Oakwood Plaza Bonds and the 2015A Oakwood Plaza Bonds upon original issuance remain in effect.

Union County Utilities Authority

The Union County Utilities Authority (“UCUA”) was created by ordinance of the Union County Board of Chosen Freeholders (now known as the Union County Board of County Commissioners) on June 5, 1986, as amended on December 11, 1986. UCUA was designated by the County Commissioners as the implementing agency for the Union County District Solid Waste Management Plan (the “County Plan”).

UCUA is the owner of the Union County Resource Recovery Facility (“Facility”), a waste-to-energy facility utilizing mass-burn technology and capable of processing 1,540 tons per day. The Facility designed and constructed by Ogden Martin Systems of Union, Inc. - now known as Covanta Union, LLC (“Covanta”) - commenced commercial operation on or about July 1, 1994, pursuant to a Service Agreement by and between Covanta and UCUA. Covanta Operations of Union, LLC (“Operator”) operates and maintains the Facility pursuant to an Amended and Restated Operation and Maintenance Agreement, dated as of December 15, 2011, between the Company and the Operator.

UCUA and Covanta entered into a Waste Disposal Agreement, dated as of February 15, 1998, as amended, supplemented and restated (the “Waste Disposal Agreement”), for a term ending on the close of business on December 15, 2031, unless sooner terminated as provided therein. Failure by UCUA to annually deliver 330,000 tons of Solid Waste Types 10 and 25 (“Acceptable Waste”) generated in the County and 100,000 tons of Acceptable Waste generated by governmental entities located outside the County for disposal (the “Guaranteed Tonnage”) does not constitute a default under the Waste Disposal Agreement, provided that the Service Charge for such Guaranteed Tonnage is paid to Covanta. However, in the event UCUA does not deliver the Guaranteed Tonnage, certain mitigation procedures set forth in the Waste Disposal Agreement are triggered. UCUA’s obligation to deliver Acceptable Waste to the Facility in an amount equal to the Guaranteed Tonnage was intended to be satisfied from three sources: (1) Acceptable Waste generated within certain municipalities within the County that have entered into local waste disposal agreements (in the amount of approximately 175,000 tons per year), (2) Acceptable Waste generated within the remaining municipalities in the County that have not entered into such local waste disposal agreements (approximately 155,000 tons per year) and (3) Acceptable Waste generated within governmental units outside of the County (but within the State) (in the amount of 100,000 tons per year).

In order to fulfill its waste delivery obligations to the Company under the Waste Disposal Agreement, UCUA entered into “Local Waste Agreements” with certain governmental units in the County, including the County, the municipalities of Elizabeth, Garwood, Hillside, Kenilworth, Linden, New Providence, Rahway, Roselle, Roselle Park, Springfield, Union and Winfield, and the Plainfield Municipal Utilities Authority (now the City of Plainfield) and the Summit Municipal Utilities Authority. Each such local unit is required to deliver (or cause to be delivered) to the Facility all Acceptable Waste generated within the geographic boundaries of the local unit that is collected by or on behalf of the local unit and to pay UCUA a service charge for each ton of Acceptable Waste (or its guaranteed tonnage if less Acceptable Waste is delivered) as set forth in the Local Waste Agreements. The Local Waste Agreements, together with Acceptable Waste delivered to the Facility pursuant to state-approved regulatory “flow control,” currently account for the processing of 100% of the processible solid waste generated in the County and are UCUA’s principal source of revenues.

Prior to an amendment of the Facility Lease Agreement in 2016, which terminates at the close of business on December 15, 2031, UCUA leased the Facility to Covanta and, in exchange, Covanta paid “fixed annual rent” to UCUA of \$8,000,000 per annum (“Basic Rent”) from December 16, 2011 through December 15, 2026. Basic Rent thereafter through the end of the term of the Facility Lease Agreement is reduced to \$100 per annum; however, beginning on January 1, 2027 through December 15, 2031, the Company is obligated to make “Annual Revenue Share” payments to UCUA pursuant to a Revenue Sharing Agreement. The Annual Revenue Share is calculated according to a formula set forth in the Revenue Sharing Agreement and is based on the actual gross revenues of Covanta for the applicable Revenue Sharing Period. Payments by

Covanta under the Facility Lease Agreement and Revenue Sharing Agreement are pledged by UCUA to the holders of UCUA's 2011 Facility Lease Revenue Bonds.

UCUA filed a petition with the New Jersey Department of Environmental Protection ("NJDEP") on April 6, 2016, requesting approval of an extension of the term of the Facility Lease Agreement for a period of twenty-two (22) years from December 15, 2031 to December 15, 2053, and modifications to the Waste Disposal Agreement. As consideration for the extension of the term of the Facility Lease Agreement, Covanta agreed to pay UCUA as Facility Rent during the lease extension period starting on December 16, 2031 an annual amount equal to the greater of (1) Minimum Rent of \$4 million annually in monthly installments of \$333,333.33 or (2) 30% of Covanta's net profits resulting from the operation of the UCRRF.

Under the terms of the Waste Disposal Agreement, UCUA had experienced shortfalls in its waste delivery obligations, primarily with regard to the requirement for delivery of 100,000 tons from New Jersey governmental entities outside of the County. UCUA incurred shortfall payment obligations in calendar years 2013 through 2015, and paid to Covanta the undisputed portions of the shortfall payments for 2013 and 2014, formally disputed the balance of the shortfall payments amounts for each year, placed funds in escrow pending further negotiations between the parties, and ultimately paid the shortfall payments to Covanta as part of the extension of the term of the Facility Lease Agreement. Covanta and UCUA also agreed to eliminate the 100,000-ton delivery requirement as additional consideration for the extension of the term of the Facility Lease Agreement.

UCUA continues to be obligated to deliver 330,000 tons annually of Acceptable Waste generated within the County, until the termination of the Waste Disposal Agreement on December 15, 2031. Upon the expiration of the Waste Disposal Agreement, UCUA will have to publicly procure disposal capacity for Acceptable Waste generated within the County in accordance with the Local Public Contracts Law ("LPCL"), which may include a disposal contract award to Covanta as a result of an open, competitive, non-discriminatory and constitutionally-permissible procurement.

The extension of the Facility Lease Agreement term through December 15, 2053 will produce rental payments of at least \$88 million, with an opportunity to obtain additional rental revenues based upon UCUA's right to 30% of Covanta's annual net profits during the extension period resulting from the operation of the Facility in the event that percentage of the net profits exceeds the \$4 million base rental amount. Combined with the approximate \$54 million savings from the elimination of the 100,000-ton delivery obligation and potential shortfall tonnage payments, the monetary benefits from the extension of the lease term will approximate \$142 million.

The proposed amendments to the Facility Lease Agreement and Waste Disposal Agreement were subject to certain conditions precedent, including obtaining NJDEP approval and certification of an amendment of the County Plan. A Plan Amendment was recommended to the County Commissioners pursuant to Resolution No. 82-2015 adopted by UCUA on February 3, 2016. The Plan Amendment was properly noticed and the subject of a public hearing by the County Commissioners conducted on February 18, 2016 and was forwarded to NJDEP for review and certification in accordance with the Solid Waste Management Act. Had the conditions precedent not been met, the amendments to the agreements would have terminated and UCUA and Covanta would have been discharged from their respective obligations thereunder.

The Commissioner of NJDEP issued a Solid Waste Order on June 30, 2016, wherein he found that the proposed amendments to the Facility Lease Agreement and Waste Disposal Agreement, among other things, extending the Facility Lease Agreement from December 15, 2031 to December 15, 2053, are in the public interest as they reflect a fair allocation of the risks and benefits between UCUA and Covanta, permit UCUA's solid waste debt to be retired solely from revenues derived from solid waste disposal, and will result in the UCRRF being financially viable. In approving the proposed amendments to the Facility Lease Agreement and Waste Disposal Agreement, the Commissioner also found that they will result in the provision of solid waste disposal services and facilities necessary for the public health, safety, welfare, and convenience of the recipients and users of these services and facilities, and will not materially impair the ability of UCUA to punctually pay the principal and interest on its outstanding indebtedness and continue to provide other essential public improvements and services.

The Commissioner also issued a Certification of the February 18, 2016 Plan Amendment to the County Plan, finding that the proposed Plan Amendment was consistent with the objectives, criteria, and standards set forth in the Statewide Solid Waste Management Plan. In the certification, the Commissioner approved the inclusion in the County Plan of the amendments to the Facility Lease Agreement and Waste Disposal Agreement, and directed all solid waste facility operators and transporters operating within the County to comply with the provisions of the Plan Amendment and all other applicable provisions of the County Plan.

In correspondence, dated November 4, 2020, UCUA formally provided notification to Covanta in accordance with the Amended and Restated Waste Disposal Agreement (“Agreement”) of a Projected Delivery Shortfall as such term is defined in the Agreement and informed Covanta of UCUA’s intention to rely upon the Uncontrollable Circumstances provision in the Agreement due to the outbreak of COVID-19.

Pursuant to Section 3.01 of the Agreement, UCUA is required to notify Covanta should it be reasonably anticipated that a shortfall will occur in the number of tons of solid waste expected to be delivered on behalf of UCUA in a calendar year. Covanta is required to use commercially reasonable efforts to increase the amount of Acceptable Waste that it accepts from other customers in order to mitigate any such Projected Delivery Shortfall and/or minimize or eliminate the Shortfall Amount.

The notice to Covanta indicated that, despite its best efforts under Section 3.01 of the Agreement, UCUA reasonably anticipates that it will experience a shortfall of approximately 10,000 tons of In- County Waste during 2020 and that a shortfall is also reasonably expected in 2021 as a result of COVID-19 and the then-current Executive Orders of Governor Murphy restricting some business operations and the conduct of the public at large, and that UCUA may not meet its obligation to deliver Acceptable Waste. The shortfall in 2020 occurred despite UCUA having taken all actions necessary to enforce waste flow control in Union County in order to be able to satisfy its tonnage delivery obligations in accordance with the Agreement.

In addition, due to the onset of COVID-19 in early 2020 and the subsequent Executive Orders limiting business activities and social gatherings, UCUA advised Covanta it intends to assert that its delivery obligations during 2020 were directly, materially and adversely affected by COVID-19 and should be excused as a result of an event beyond the reasonable control of UCUA pursuant to Article V of the Agreement as well as any rights that UCUA may possess by statute or under common law.

Covanta acknowledged in correspondence, dated January 15, 2021, receipt of UCUA’s notice and presented UCUA with a calculation of actual tons delivered in 2020 and mitigation revenues generated by Covanta’s acceptance of non-Union County waste to address the then-projected shortfall. Based upon the actual delivery of 319,972.2 tons of Union County waste in 2020 and mitigation revenues of \$481,504.73, Covanta asserted that UCUA owed \$235,305.72 as a result of the tonnage shortfall of 10,027.8 tons.

UCUA engaged in discussions with Covanta to reach a mutually acceptable resolution of the dispute. The parties ultimately agreed to share responsibility for the shortfall payment arising in 2020, with each party being responsible for fifty percent (50%) of the shortfall amount of \$235,305.72. Pursuant to duly adopted Resolution No. 28-2021, UCUA approved the settlement of the dispute and authorized the payment of fifty percent (50%) - \$117,652.86 – of the shortfall amount for the year 2020 in full settlement of any claims by Covanta for shortfall payments pursuant to the Waste Disposal Agreement, which payment was effectuated March 26, 2021. There was no tonnage delivery shortfall in 2021.

There was a minimal shortfall in 2022 which resulted in no demand for shortfall payments for that year. In September 2023, the UCUA informed Covanta of a projected shortfall of 7,500 tons for 2023 and increased its own efforts to reduce the anticipated shortfall. Thereafter, Covanta employed contractually required mitigation efforts which, coupled with the UCUA’s efforts, resulted in an actual shortfall of 4,880 tons and substantially reduced the UCUA’s 2023 shortfall payment obligation to \$76,030.40. There was no tonnage delivery shortfall in 2024.

Pursuant to the County Plan, all solid waste generated within the County that cannot be processed at the Facility (“Non-Processible Waste”), such as construction and demolition debris, was required by regulatory flow control to be delivered to a landfill located in Kearny, New Jersey that was operated by the New Jersey Meadowlands Commission (“NJMC” and now known as the New Jersey Sports and Exposition Authority). Non-Processible Waste is processed and disposed of in exchange for a per ton fee set by UCUA, which includes a component for debt service. In anticipation of the expiration of the NJMC Agreement, UCUA issued Bid Specifications on November 16, 2015 for the provision of disposal services for Non-Processible Waste and awarded a contract at a public meeting on December 16, 2015 to Waste Management of New Jersey, Inc. (“WMI”) for a term of three years, with UCUA maintaining an option to extend the contract for two additional years. A petition for approval of the WMI Agreement was filed with the NJDEP, and a plan amendment to incorporate the WMI Agreement in the County Plan was adopted by the County Commissioners and submitted to the NJDEP for certification.

On June 13, 2016, the Commissioner of NJDEP issued a Solid Waste Order, approving the WMI Agreement as in the public interest, for a term of three years terminating on June 19, 2019, with UCUA maintaining an option to extend the contract for two additional years. Simultaneously, the Commissioner issued a Certification of the February 11, 2016 Plan Amendment to the County Plan to incorporate the WMI Agreement in the County Plan and to authorize regulatory waste flow control for Non-Processible Waste to the WMI Transfer Station/Materials Recovery Facility in Elizabeth, New Jersey. The Commissioner’s Certification of the February 11, 2016 Plan Amendment was based upon a finding that the proposed Plan Amendment was consistent with the objectives, criteria, and standards set forth in the Statewide Solid Waste Management Plan. WMI began to provide Non- Processible Waste disposal services on June 19, 2016.

In anticipation of the expiration of the Agreement with WMI in June 2019, UCUA issued Bid Specifications on November 15, 2018 for the provision of disposal services for Non-Processible Waste, and subsequently awarded a contract on January 3, 2019 to WMI for a term of five years, commencing June 19, 2019, as the lowest, complying bidder, in accordance with the LPCL.

A petition for approval of the 2019 WMI Agreement was filed with the NJDEP. Also, a plan amendment adopted by the County Commissioners to incorporate the WMI Agreement in the County Plan was submitted to the NJDEP for certification. On July 24, 2019, the Commissioner of NJDEP issued a Solid Waste Order, approving the WMI Agreement as in the public interest, for a term of five years terminating on June 19, 2024. The Commissioner issued a Certification of the January 24, 2019 Plan Amendment to the County Plan to incorporate the 2019 WMI Agreement in the County Plan and to authorize regulatory waste flow control for Non-Processible Waste to the WMI Transfer Station/Materials Recovery Facility in Elizabeth, New Jersey. The Certification of the January 24, 2019 Plan Amendment found that the proposed Plan Amendment was consistent with the objectives, criteria, and standards set forth in the Statewide Solid Waste Management Plan.

In anticipation of the expiration of the Agreement with WMI in June 2024, UCUA issued Bid Specifications on December 29, 2023 for the provision of Non-Processible Waste disposal services, and subsequently awarded a contract on January 30, 2024 to WMI for a three year term commencing June 20, 2024, as the lowest, complying bidder, in accordance with the LPCL. At the same time, the UCUA approved a resolution recommending to the County Commissioners that a Plan Amendment be adopted by that body to incorporate the WMI Agreement, and the continuation of regulatory flow control over Non-Processible Waste, into the County Plan, and that the Plan Amendment be submitted to the NJDEP for certification. On March 13, 2024, the County Commissioners adopted an ordinance amending the County Plan to incorporate the WMI Agreement and the continuation of regulatory flow control over Non-Processible Waste. The Plan Amendment was subsequently submitted to the NJDEP for review and approval. On June 17, 2024, the NJDEP issued a Certification of the March 13, 2024 Plan Amendment to the County Plan to incorporate the 2024 WMI Agreement into the County Plan and to authorize regulatory waste flow control for Non-Processible Waste to the WMI Transfer Station/Materials Recovery Facility in Elizabeth, New Jersey. The Certification of the March 13, 2024 Plan Amendment found that the proposed Plan Amendment was consistent with the objectives, criteria, and standards set forth in the Statewide Solid Waste Management Plan.

As of December 31, 2024, the UCUA had the following bonds outstanding:

<u>Description of Debt</u>	<u>Outstanding Amount</u>
\$115,730,000 Resource Recovery Facility Lease Revenue Refunding Bonds (Covanta, Inc. Lessee – Series 2011A) (AMT)	\$107,150,000 (1)
\$47,245,000 Solid Waste System Revenue Refunding Bonds (County Deficiency Agreement – Series 2011A) (Tax –Exempt)	\$47,245,000 (2)
\$21,835,000 Solid Waste System Revenue Refunding Bonds (County Deficiency Agreement – Series 2011B) (Federally Taxable)	\$2,590,000 (2)
Total Outstanding UCUA Debt as of December 31, 2024	\$156,985,000

(1) The 2011 Resource Recovery Facility Lease Revenue Bonds are paid from fixed annual rent under the Facility Lease Agreement, Annual Revenue Share under the Revenue Sharing Agreement, and are further supported by a Limited Deficiency Agreement between the County and UCUA. Under the Limited Deficiency Agreement, the County has agreed, among other things, to replenish any deficiency in the Bond Reserve Fund and to pay to UCUA an amount equal to the service charges, monthly shortfall payments and the shortfall amount payable under the Waste Disposal Agreement with respect to the difference between the guaranteed tonnage of UCUA under the Waste Disposal Agreement and the aggregate guaranteed tonnages of the participating local units under the Local Waste Agreements. To date, the County has not made any payments under the Limited Deficiency Agreement.

(2) The 2011 County Deficiency Agreement Bonds are paid from Stranded Investment Charges (as defined in the general bond resolution relating to such bonds), and are further secured by a County Deficiency Agreement, dated as of December 29, 2011, between the County and UCUA (the “County Deficiency Agreement”). The County is obligated to pay the amount of any deficiency to UCUA for deposit directly in the Bond Reserve Fund. The obligation of the County to make payment of the deficiency is absolute and unconditional and remains in full force and effect for the term of the County Deficiency Agreement. To date, the County has not been required to make payments under the County Deficiency Agreement.

The 2011 Resource Recovery Facility Lease Revenue Bonds and 2011 County Deficiency Agreement Bonds were issued to provide funds for the refunding of certain bonds issued by UCUA in 1998.

Open Space, Recreation and Historic Preservation

On November 7, 2000, the voters of the County approved a referendum authorizing the creation of an Open Space Recreation and Historic Preservation Trust Fund (the “Fund”).

The Fund is funded by a tax levy of 1.5 cents per \$100 of County equalized real property valuation for a period of twenty years.

The Fund is used for acquisition of lands for recreation and conservation purposes, development of lands acquired for recreation and conservation purposes, maintenance of lands acquired for recreation and conservation purposes, preservation of historic properties, acquisition of such properties for historic preservation purposes, or payment of debt service of indebtedness issued by the County for such purposes (other than maintenance purposes).

The first quarterly collection of open space taxes was paid on August 15, 2001. The County collected \$15,288,796.23 in 2024 (unaudited).

COUNTY OF UNION DEBT SERVICE SCHEDULE AS OF DECEMBER 31, 2024

YEAR	BOND PRINCIPAL	BOND INTEREST	LEASE PAYMENTS	DAM LOANS	NOTE PRINCIPAL	NOTE INTEREST	TOTAL
2025	49,120,000.00	10,462,587.55	17,588,553.46	209,540.31	0.00	1,290,000.00	78,670,681.32
2026	49,840,000.00	8,627,003.17	17,494,553.21	209,540.31	0.00	0.00	76,171,096.69
2027	48,655,000.00	7,160,225.04	15,674,406.32	131,461.47	0.00	0.00	71,621,092.83
2028	47,295,000.00	5,677,212.54	15,654,789.30	105,331.48	0.00	0.00	68,732,333.32
2029	40,160,000.00	4,333,206.27	15,170,693.63	52,665.74	0.00	0.00	59,716,565.64
2030	39,440,000.00	3,106,781.25	15,394,303.93	0.00	0.00	0.00	57,941,085.18
2031	22,915,000.00	2,100,200.00	15,379,547.70	0.00	0.00	0.00	40,394,747.70
2032	13,965,000.00	1,434,837.50	15,354,524.55	0.00	0.00	0.00	30,754,362.05
2033	11,030,000.00	967,518.75	15,313,563.36	0.00	0.00	0.00	27,311,082.11
2034	10,875,000.00	582,881.25	14,654,517.04	0.00	0.00	0.00	26,112,398.29
2035	4,880,000.00	294,600.00	10,213,177.66	0.00	0.00	0.00	15,387,777.66
2036	4,925,000.00	98,500.00	10,209,503.33	0.00	0.00	0.00	15,233,003.33
2037	0.00	0.00	10,209,537.06	0.00	0.00	0.00	10,209,537.06
2038	0.00	0.00	10,202,590.72	0.00	0.00	0.00	10,202,590.72
2039	0.00	0.00	10,188,016.26	0.00	0.00	0.00	10,188,016.26
2040	0.00	0.00	10,190,182.95	0.00	0.00	0.00	10,190,182.95
2041	0.00	0.00	10,193,477.20	0.00	0.00	0.00	10,193,477.20
2042	0.00	0.00	10,191,732.70	0.00	0.00	0.00	10,191,732.70
2043	0.00	0.00	6,643,037.50	0.00	0.00	0.00	6,643,037.50
2044	0.00	0.00	6,645,037.50	0.00	0.00	0.00	6,645,037.50
2045	0.00	0.00	6,643,531.25	0.00	0.00	0.00	6,643,531.25
2046	0.00	0.00	6,644,625.00	0.00	0.00	0.00	6,644,625.00
2047	0.00	0.00	6,642,325.00	0.00	0.00	0.00	6,642,325.00
2048	0.00	0.00	6,646,206.25	0.00	0.00	0.00	6,646,206.25
2049	0.00	0.00	6,645,843.75	0.00	0.00	0.00	6,645,843.75
2050	0.00	0.00	6,644,475.00	0.00	0.00	0.00	6,644,475.00
2051	0.00	0.00	6,642,031.25	0.00	0.00	0.00	6,642,031.25
2052	0.00	0.00	6,644,790.63	0.00	0.00	0.00	6,644,790.63
2053	0.00	0.00	6,642,340.63	0.00	0.00	0.00	6,642,340.63
2054	0.00	0.00	6,644,268.75	0.00	0.00	0.00	6,644,268.75
	343,100,000.00	44,845,553.32	319,006,182.89	708,539.31	0.00	1,290,000.00	708,950,275.52

Capital Improvement Program

A capital budget and capital improvement program is designed to function as a planning tool for legislators and managers at municipal and county levels. It allows public officials to evaluate alternatives and determine priorities for projects and programs relation to available and projected financial resources. A carefully organized program and project schedule avoids costly, improper decisions or ill- timed action in a project involving the allocation of scarce capital resources.

The main purpose of the capital budget is to initiate planning for ultimate authorization of capital projects for the first year of the six- year program. The Capital Budget and Capital Improvement Program do not represent actual authorization of projects, but rather conceptual recognition of the County’s need for specific capital improvements.

With restrictions on current spending and new financial resources limited, it is imperative that capital planning and budgeting become more responsive to public needs, both present and long range. In addition to the cost of the selection process, the impact of each project on future operating budgets must be considered. In prioritizing capital projects, a major consideration is the degree to which a facility will be able to either generate revenues or significantly reduce costs.

The County’s Capital Improvement Plan requires that all departments justify the need for a particular capital project or piece of equipment. All capital requests are scrutinized to determine if the request (1) meets the needs of the citizens of the County; (2) are important to the County’s governmental operations; (3) are within the financial guidelines set forth for all capital projects; and (4) are able to realize additional revenues.

Future Financing of the County

The County’s general plan is to issue general obligation bonds every two years, except for bonds issued for County College purposes and partially secured by State aid, which are generally issued annually. The County also issues bond anticipation notes for specific capital improvements, as needed, and retires them with the next issue of general obligation bonds. The County’s most recent new money bond issue was a \$46,835,000 combined series issued on June 13, 2024. On June 14, 2024, the County issued \$25,800,000 of bond anticipation notes due June 13, 2025 (the “Outstanding Notes”). The County intends to roll over \$21,272,535 of the Outstanding Notes (the remaining balance after cancellations of authorizations) as well as add \$28,007,465 of new money notes for a total issue of \$49,280,000 to be issued June 12, 2025 and mature on June 12, 2026 (the “2025 Notes”). The County intends to issue bonds in 2026 to permanently finance a portion of 2025 Notes, and to issue bond anticipation notes at the same time to renew a portion of 2025 Notes and provide new borrowing.

Six Year Capital Program 2025

<u>Project Title</u>	<u>Six Year Estimate</u>
Administrative Services	\$1,000,000.00
County Clerk’s Office	\$246,450.00
Division of Engineering	\$38,983,911.00
Division of Facilities Management	\$20,250,000.00
Division of Information Systems	\$300,000.00
Election Board	\$19,667.00
Human Services	\$293,500.00

<u>Project Title</u>	<u>Six Year Estimate</u>
Department of Parks and Recreation	\$15,760,000.00
Division of Park Maintenance	\$6,155,000.00
Prosecutor	\$664,721.00
Department of Public Works	\$14,115,000.00
Sheriff's Office	\$180,000.00
Surrogate's Office	\$25,000.00
Union County College	\$11,314,852.00
Union County Vocational Technical Schools	\$7,000,000.00
Rutgers Cooperative Extension	\$15,000.00
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	\$116,323,101.00
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<u>Funding Per Year</u>	
2025	\$63,098,101.00
2026	\$10,300,000.00
2027	\$18,295,000.00
2028	\$8,875,000.00
2029	\$8,000,000.00
2030	\$7,755,000.00
	<hr/>
	\$116,323,101.00
	<hr/>
<u>Funding Sources</u>	
Grants	\$8,433,911.00
Down Payments, Bonds & Notes	\$107,889,190.00
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	\$116,323,101.00
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TAX COLLECTION DATA

County Tax Rates

The following table sets forth the valuations on which County taxes are apportioned:

NET EQUALIZED VALUATION ON WHICH TAXES ARE APPORTIONED

Year	Net Valuation
2021	\$77,746,562,530
2022	\$83,701,680,955
2023	\$92,871,334,633
2024	\$101,925,308,241
2025	\$110,206,858,769

Source: Union County Board of Taxation 2025

ASSESSED VALUATION

Year	Net Valuation Taxable
2021	\$34,223,167,626
2022	\$39,790,880,661
2023	\$39,801,536,543
2024	\$55,029,771,081
2025	\$55,244,961,035

Source: Union County Board of Taxation 2025

COUNTY TAX RATE PER \$100 OF EQUALIZED VALUATION

Year	Tax Rate
2020	\$0.4887
2021	\$0.4735
2022	\$0.4390
2023	\$0.3949
2024	\$0.3678

Source: Union County Board of Taxation 2025

TAX COLLECTION RECORD

FISCAL YEAR BEGINNING JANUARY	TOTAL COUNTY TAX	PERCENT OF COLLECTION
2020	\$367,295,299.43	100.00%
2021	\$367,295,299.43	100.00%
2022	\$367,295,299.43	100.00%
2023	\$367,295,299.43	100.00%
2024	\$373,722,967.17	100.00%

NET TOTAL TAXABLE VALUE OF LAND AND IMPROVEMENTS

	2025	2024	2023	2022	2021	2020
1. Vacant Land	1,391,844,400	1,476,391,766	416,342,700	386,922,300	368,974,100	368,974,100
2. Residential	38,037,542,303	37,796,519,149	30,787,418,874	30,594,757,966	25,405,250,754	25,405,250,754
3a. Regular Farm	442,200	442,200	442,200	684,200	684,200	684,200
3b. Qualified Farm	31,620	31,620	37,520	42,420	42,320	42,320
4a. Commercial	7,346,150,830	7,296,515,910	4,652,121,282	4,701,291,262	3,788,418,342	3,788,418,342
4b. Industrial	5,205,498,850	5,242,825,150	2,463,087,750	2,463,177,150	2,120,628,250	2,120,628,250
4c. Apartment	3,219,604,100	3,173,441,400	1,449,994,500	1,607,975,600	927,180,100	927,180,100
Total Assessed Value	55,201,114,303	54,986,167,195	39,769,444,826	39,754,850,898	32,611,177,976	32,611,177,976

Source: Union County Board of Taxation 2025

TOP 10 TAXPAYERS 2025

Property Location	Assessed	Total Taxes	Type of Business	Owner
E Scott Ave, Rahway, NJ	87,612,200	7,968,683.50	Industrial	Merck Sharp & Dohme Corp
1900A Brunswick Ave Linden, NJ	108,924,500	7,659,571.00	Industrial	Phillips 66 Co-Property Tax S1364
2000 Galloping Hill Road Kenilworth, NJ	106,889,500	6,822,757.00	Industrial	Kenilworth Corp Property LLC
556 Morris Avenue	153,900,000	6,703,884.00	Industrial	Summit W. Celgene Att: BMS Re Director
E Scott Ave, Rahway, NJ	86,191,300	6,382,466.00	Industrial	Merck Sharp & Dohme Corp
1800 W Edgar Rd, Linden, NJ	78,401,000	5,513,158.50	Industrial	Merck Sharp & Dohme Corp
535-603 Mountain Avenue New Providence, NJ	91,348,100	4,707,639.00	Commercial	Redwood-ERC NP LLC & Altus Group
1100 E Edgar Road Linden, NJ	61,362,000	4,314,976.00	Industrial	Phillips 66 Co-Property Tax S1364
600 Mountain Avenue Berkeley Heights, NJ	76,065,000	3,260,906.50	Commercial	Alcatel – Lucent USA/Atn. Corp Counsel
1100 E Edgar Road Rear Linden, NJ	40,000,000	2,812,800.00	Commercial	Infineum USA LP/Bill McCabe

County Taxes

County taxes are collected by the municipalities and paid to the County Treasurer. The municipal levy includes all County, school and municipal taxes as well as the Open Space, Recreation and Historic Preservation Trust Fund.

Each municipality is required to pay to the County Treasurer its share of the County Purpose Tax on the fifteenth day of February, May, August and November of each year. The County receives its share of the taxes collected from the first taxes collected by each municipality. This assures the County of 100% collection.

In response to the \$10,000 annual limitation on an individual's federal income tax deduction for state and local taxes paid (beginning in 2018 and ending in 2025) contained in the federal "Tax Cuts and Jobs Act", Pub. L. No. 115-97, New Jersey Governor Phil Murphy signed into law Senate Bill No. 1893 ("S-1893") on May 4, 2018. S-1893, which will take effect when implementing regulations are adopted by various State agencies, authorizes municipalities, counties and school districts ("local units") to establish one or more charitable funds, each for specific public purposes, and permits certain donations to those charitable funds to be credited toward the donor's property tax obligation. Moneys held in a charitable fund are immediately available to pay debt service. On June 13, 2019, the Internal Revenue Service (the "IRS") issued final regulations, effective August 12, 2019, denying the deductibility (except for a de minimis amount) for federal income tax purposes of property tax credit donation mechanisms authorized by S-1893 and similar laws adopted in other states. The County makes no representations as to whether any local units will establish charitable funds pursuant to S-1893 or how S-1893 will be implemented.

Tax Appeals

The Union County Board of Taxation (the "Tax Board") processes all appeals of County tax assessments. The appeal process is described below:

The taxpayer remits the full assessment (including any disputed amount) to the municipal tax collector. The municipality then remits the amount of County tax assessed against the municipality to the County Treasurer.

The taxpayer files an appeal with the Tax Board, which conducts a hearing. If the appeal is granted, the municipality remits payment to the taxpayer. The County tax assessed to the municipality for the succeeding year is then reduced by the total amount of the appeals that were granted. Therefore, the County does not remit payment to the taxpayer or the municipality for appeals granted.

If the Tax Board does not grant the appeal or if the taxpayer is not satisfied with the amount granted, the taxpayer has a right to a hearing by the New Jersey Tax Court. If the appeal is successful at this level, the reimbursement procedures are the same as described above.

COUNTY GOVERNMENT

The County operates under N.J.S.A. 40:41A-1 et seq., the "Optional County Charter Law". Specifically, the County structure is the County Manager Plan. The legislative powers and responsibilities of the County are vested in the (elected) Board of County Commissioners.

There are nine members on the Board, all elected on an at-large basis from the County's twenty-one municipalities. The Board sets policy, adopts the operating and capital budgets for the County, enacts ordinances and generally sets the direction in which County government moves toward the delivery of governmental services. Commissioners serve for terms of three years beginning on the first day of January following their election, with terms being staggered such that three seats on the Board are up for election each year. The Board meets 4 times a month in accordance with the Optional County Charter Law.

The executive/administrative powers and responsibilities of the County are vested in the County Manager. There are nine major administrative departments (Administrative Services, Parks and Recreation, Finance, Human Services, Public Safety, Corrections, Engineering and Public Works and Facilities, Economic Development and Runnells Specialized Hospital). Additionally, there are Constitutional Officers (County Clerk, County Prosecutor, County Sheriff and County Surrogate) and other governmental functions (County Counsel, Clerk of the Board, Election Board, Tax Board, Superintendent of Schools and Extension Services). The major administrative departments are required to make reports to the County Manager concerning the financial, personnel, purchasing and general services management. The County Manager is responsible for enforcing the Charter and Administrative Code and all resolutions, ordinances and general laws of the County. The County Manager reports to the Board of County Commissioners and the public on the result of the previous year's operations in an Annual Report and submits an Annual Executive Budget and Work Program outlining the goals, objectives and funding plan for each year. The County Manager appoints the Directors of the County Departments and all personnel within the County (with the exception of the County Counsel, County Treasurer and Clerk of the Board, which are appointed by the Board), subject to State Department of Personnel rules and regulations.

The County Manager may attend meetings of the Board and participate in all discussions and matters relative to County Government but, has no vote or veto rights in the proceedings of the Board. The current County Manager was appointed by the Board for an indefinite term beginning March 1, 2018.

COUNTY BUDGET AND STATEMENTS OF REVENUES AND EXPENDITURES

Budget Requirements

No County budget may be adopted without the approval of the Director of the Division of Local Government Services (the "Director"). The Director approves the budget once a determination has been made that the budget meets all of the requirements of the Local Budget Law (Chapter 4 of Title 40A of the New Jersey Statutes, as amended), and all of the regulations of the Local Finance Board.

The Local Budget Law imposes various restrictions on the formulation of the County Budget, the more important of which pertain to anticipation of revenues and review of adequacy of appropriations. Among other restrictions, the Local Budget Law requires that the budget be balanced and that the Director examine the budget with reference to all estimates of revenue and the following appropriations: (a) payment of interest and debt redemption charges; (b) deferred charges and statutory expenditures; (c) cash deficit of the preceding year; (d) reserve for uncollected taxes; and (e) other reserves and non-disbursement items. Anticipated nontax revenues are limited to the amount actually realized in the previous year unless the Director certifies a higher figure. Tax anticipation notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year in which they were issued.

Miscellaneous revenues generally consist of operating surplus from the prior year, County purpose tax, State and Federal Aid, interest on investments, user fees, license fees and permits. No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit. (N.J.S.A. 40A:4-26)

The exception to this is the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar fiscal year.

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof. (N.J.S.A. 40A:4-10)

Limitations on County Appropriations and Tax Levy

A statute passed in 1976 as amended and supplemented (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the “Cap Law,” imposed limitations on increases in county appropriations and the county tax levy subject to various exceptions. While the Cap Law restricts the ability of a county to increase its overall appropriations and tax levy, the payment of debt service is an exception from these limitations. The Cap formula is somewhat complex, but basically, it permits a county to increase its overall appropriations and tax levy by the lesser of 2.5% or the Cost-of-Living Adjustment (“COLA”). Increases up to 3.5% in the tax levy are allowed by adoption of a resolution whenever the COLA is less than 2.5%. The COLA is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other items including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. The Cap Law does not limit the obligation of the County to levy ad valorem taxes upon all taxable real property within the County to pay debt service.

Chapter 62 of the Pamphlet Laws of 2007 (“Chapter 62”) imposed restrictions upon the allowable annual increase in the tax levy of municipalities, counties, fire districts and solid waste collection districts. For counties, the amount of the tax levy increase is limited to the lesser of the increase permitted by the already existing Cap Law discussed above and Chapter 62. The appropriation cap under the Cap Law is unaffected by Chapter 62. In general, under Chapter 62, starting with the 2008 budgets, counties had their tax levies limited to a four percent (4%) increase. The cap calculation is subject to various adjustments, such as the value of increased assessments, and allows for an increase in the adjusted tax levy for various items, including amounts required for increases in debt service, amounts required to replace reductions in State formula aid, certain increased pension contributions, increases greater than four percent (4%) in the reserve for uncollected taxes, and increases in health care costs in excess of four percent (4%) (but not in excess of the percentage increase in the State Health Benefits Program). The law also allows the Local Finance Board to grant waivers for extraordinary circumstances (some of which are defined in the Law) and authorizes a county to submit a public question to the voters for approval (by an affirmative vote of at least sixty percent (60%)) to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

As is the case with the Cap Law, Chapter 62 does not limit the obligation of the County to levy ad valorem taxes upon all taxable real property within the County to pay debt service.

The County tax levy and appropriation increases for the year 2010 were within the limits allowed by the Cap Law and Chapter 62, taking into account applicable adjustments and without requesting any waivers from the Local Finance Board.

On July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment (the 2011 budget for the County), reducing the Chapter 62 tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Majority voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy. The County’s 2011 to 2025 budgets complied with the tax levy and appropriation caps, taking into account applicable adjustments.

Annual Audit

The Local Fiscal Affairs Law, Chapter 5 of Title 40A of the New Jersey Statutes, as amended, regulates the non- budgetary financial activities of the County. An annual, independent audit of the County's accounts for the previous year must be performed by a license Registered Municipal Accountant. The audit, conforming to the Division's "requirement of audit," includes recommendations for improvement of the County's financial procedures and must be filed with the Director of the Division prior to July 1 of each year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

The chief financial officer of the County must file annually with the Director a verified statement of the financial condition of the County and all constituent boards, agencies or commissions.

Deferral of Current Expenses

Supplemental appropriations made after the adoption of the budget and determination of the tax rate may be authorized by the Board of County Commissioners. However, with minor exceptions, if such appropriations exceed 3% of the adopted operation budget, consent of the Director must be obtained. (N.J.S.A. 40A:4-48).

Results of Operations

The County's fund balance at December 31, 2024 is \$198,327,914.35 (unaudited).

2025 Budget

The County adopted the 2025 Budget on April 17, 2025. The total amount of the budget is \$534,266,519.05. The tax levy is \$380,263,119.10.

Jail Facility Developments

The Union County Jail housed approximately 345 prisoners until June, 2021. Over the previous ten years, the inmate population had decreased from 1,009 to 345. As a result of the steady decline in the inmate population, the County made the policy decision to transfer its inmate population to the Essex County Jail and realign the organizational structure for correctional services to realize substantial savings.

The counties of Union and Essex entered into a 5-year Agreement to transfer and house adult inmates currently housed in the Union County Jail operated by the Union County Department of Corrections (UCDOC) to the Essex County Department of Corrections (ECDOC) effective July 1, 2021. Union County prisoners will be housed and supervised by Essex County, to the extent of capacity, at a per diem cost per prisoner ranging from \$104 to \$106 during the five-year contract term. Prior to the transfer of Union County inmates to the Essex County Facility, Union County will conduct full medical screenings and medical clearance. Once in the Essex County Facility, all ordinary, routine non-hospital, nonemergency medical care and over-the-counter medications for Union County inmates will be paid by Essex County.

With the prisoner transfers, Union County will cease the long-term housing of inmates through the UCDOC. Consequently, the UCDOC will be eliminated by action of the Union County Board of County Commissioners. Toward that end, a lay-off plan was submitted to and subsequently approved by the New Jersey Civil Service Commission.

The lay-off plan took effect 11:59 p.m. on June 30, 2021 and impacted staff within the UCDOC. Since there is still a need for the transportation and temporary holding of individuals awaiting criminal adjudications and court appearances, approximately 53 employees were retained via an intradepartmental transfer to serve as employees of the Union County Sheriff, through the operation of a smaller correctional transitional facility known as the "Hub." The Hub is staffed 24 hours a day, 365 days a year.

The decision to eliminate the UCDOC was made possible because of the symbiosis of (1) Essex County benefiting from increased revenue derived from filling excess capacity with Union County prisoners and (2) Union County having a viable alternative in place for the transfer, housing, and supervision of all of its long-term prisoners.

The five-year County budgetary savings for July 1, 2021 – June 30, 2026 is projected to be approximately \$103.8 million.

STATEMENT OF EXPENDITURES LAST FIVE YEARS

	2024 * (Unaudited)	2023	2022	2021	2020
General Government	123,119,053.76	115,603,744.00	112,052,315.00	104,297,657.00	87,878,667.80
Regulation/Public Safety	81,753,871.55	87,185,449.00	84,675,246.00	85,186,397.00	81,681,532.06
Roads & Bridges/ Operational Services	17,601,900.85	19,411,668.00	18,621,885.00	20,774,988.00	17,677,183.87
Health & Welfare	73,347,341.16	74,690,675.00	74,133,078.00	72,773,180.00	67,390,523.08
Educational	22,235,186.82	22,321,348.00	22,429,333.00	22,323,861.00	21,496,775.36
Recreational	17,382,715.79	15,433,905.00	15,747,659.00	15,710,466.00	11,646,172.23
Unclassified	10,718,476.42	11,666,410.00	10,173,481.00	9,626,245.00	7,664,728.52
State & Federal Programs	96,363,262.47	92,976,834.00	164,410,213.00	134,080,465.00	143,812,051.99
Contingent	0	0	0	0	0
Total Operations	442,521,808.82	439,290,033.00	502,243,210.00	464,773,259.00	439,247,634.91
Capital Improvements	6,050,000.00	6,050,000.00	6,050,000.00	6,050,000.00	15,250,000.00
Debt Service	75,494,082.13	76,440,491.00	69,350,291.00	74,731,697.00	68,931,684.13
Deferred Charges and Statutory Expenditures	43,838,120.96	45,764,050.00	46,056,342.00	44,367,493.00	43,134,268.87
Total	567,904,011.91	567,544,574.00	623,699,843.00	589,922,449.00	566,563,587.91

STATEMENT OF REVENUES LAST FIVE YEARS

REVENUE TYPE	2024 * (Unaudited)	2023	2022	2021	2020
Fund Balance	38,750,000.00	37,750,000.00	37,750,000.00	37,000,000.00	53,290,931.23
Misc. Revenue	234,987,671.46	224,405,615.00	273,530,654.99	245,806,033.00	237,926,683.22
Tax Levy	373,722,967.17	367,295,299.00	367,295,299.43	367,295,299.00	367,295,299.43
Subtotal Revenue	647,460,638.63	629,450,914.00	678,575,954.42	650,101,332.00	658,512,913.88
Unanticipated Revenue	11,240,091.92	11,597,516.00	10,807,145.00	9,360,828.00	8,493,801.20
Total Revenue	658,700,730.55	641,048,430.00	689,383,099.42	659,462,160.00	667,006,715.08

REVENUE BUDGET

Revenue Type	Anticipated 2025*	Realized 2024*	Anticipated 2024*
Surplus Anticipated	38,750,000.00	38,750,000.00	38,750,000.00
Miscellaneous Revenue	115,253,400.00	210,620,187.47	130,950,219.08
Amount to be raised taxation	380,263,119.10	373,722,967.17	373,722,967.17
	534,266,519.10	623,093,154.64	543,423,186.25

* - Unaudited

APPROPRIATION BUDGET

OPERATIONS	Budget 2025*	Budget 2024*	Expended 2024*	Reserved 2024*
Regular	381,463,235.57	398,243,263.71	346,158,546.35	32,421,241.30
Public & Private Offset with Revenues	20,409,273.82	96,612,225.47	96,363,262.47	248,963.00
Contingent	50,000.00	50,000.00	0.00	50,000.00
Capital Improvements	6,050,000.00	6,050,000.00	6,050,000.00	0.00
Debt Service	81,179,614.00	75,942,536.00	75,494,082.13	0.00
Deferred Charges & Statutory Expenditures	45,114,395.66	46,195,129.46	43,838,120.96	2,207,008.50
	534,266,519.05	623,093,154.64	567,904,011.91	34,927,212.80

* - Unaudited

Budget Process

Primary responsibility for the County's budget process lies within the Department of Finance. This responsibility stems from the authority of the County Manager as the chief administrative officer in the County organizational structure. As prescribed by the Local Budget Law, adoption of the budget should occur by the end of February. However, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the County operates under a temporary budget. Upon adoption of any annual operating budget by the Board of County Commissioners, the Board of Taxation computes a tax rate for County purposes and apportions County tax requirements to be paid by each municipality. The tax rate for each municipality includes County tax requirements.

The following is a description of the steps and procedures taken under the County Administrative Code to prepare the budget and to make expenditures after its adoption:

1. **FISCAL YEAR.** The fiscal year of the County shall be the calendar year except as may be otherwise provided by the Local Budget Law.
2. **BUDGET PREPARATION GENERALLY.** The budgetary process of the County shall be subject to all requirements of the Local Budget Law and the promulgations of the Division and the Local Finance Board. On or before September 1st of the year preceding the budget year, the County Manager shall establish the schedules and procedures to be followed by all County departments, offices and agencies to prepare the required budget documents. He or she may conduct such analysis or hearing as he or she deems necessary. On or before January 15th of each year, the County Manager shall submit to the Board a budget document consisting of the proposed County budget and a budget message.

3. **SCOPE OF BUDGET AND MESSAGE.** The budget document shall be prepared by County Manager in such form as will comply with the Local Budget Law, together with such additional schedules as he or as she deems desirable, or as may be required by the Board.

The budget message shall explain the budget both in fiscal terms and work to be done. It shall outline the proposed financial policies of the County for the ensuing fiscal year, describe the important features of the budget plan and indicate its major objectives. It shall indicate any major changes in financial policies and in expenditures, appropriations and revenues as compared with the preceding fiscal year and shall set forth reasons for the changes.

4. **BOARD ACTION.** The Board shall consider and act upon the County Manager's budget in accordance with requirements of the Local Budget Law.

5. **APPROPRIATION REQUESTS; ALLOTMENTS.** As part of the budget request by each department, office and agency of the County to the County Manager, there shall be included a work program for the year showing all requested appropriations broken down into monthly or quarterly allotments, as may be required by the County Manager. The County Manager shall review requested allotments in light of the work program of the department, office or agency concerned, and if he or she deems it necessary, may review, alter or change them before the same are submitted to the Board. The aggregate of such allotments shall not exceed the total appropriation available to each department, office or agency for the fiscal year.

The County Manager shall, where practicable, provide for the establishment and cooperation of a system of work programs and quarterly allotments for operation of the budget. It shall be the duty of the County Manager to develop and report appropriate unit costs of budgeted revenues and expenditures.

6. **PAYMENTS AND OBLIGATIONS; CERTIFICATION; PENALTIES.** No payments shall be authorized or made, and no obligation shall be incurred against the County except in accordance with appropriations duly made. No obligation shall be paid against any allotment or appropriation unless the County Manager or designee first certified that sufficient funds therefore will be available to meet the obligation concerned when it becomes due and payable. Any County officer or employee who knowingly authorizes or makes any payments in violation of the provisions of this paragraph or takes part therein may, in addition to any other penalty provided by law, be removed from his office or employment.

7. **VOUCHERS AND CERTIFICATION.** No bill, demand or claim shall be paid unless a detailed statement of the terms or demands, specifying particularly how the bill or demand is made up, and a certification of the party claiming payment that it is correct; nor shall any bill, claim or demand be paid unless the voucher on which it is presented carries a certification of the head of the department, office or agency, or of his duly designated representative, having personal knowledge of the facts, that the goods have been received by, or the services rendered to, the County.

8. **AUDIT, WARRANT AND PAYMENT OF BILLS AND CLAIMS; LISTING.**

- a. All bills, claims and demands against the County shall be deemed approved by the County Manager (for the purpose of N.J.S.A. 40A:5-17) in accordance with the action of the Treasurer. A voucher on a form prescribed by the Department of Finance shall be paid only upon the audit, warrant and approval of the Treasurer.
- b. Disbursement shall be made by a combination warrant-bank check or draft warranted by the Comptroller, if any, and countersigned by the Treasurer, except that payroll checks shall be signed by the Treasurer alone upon voucher and warrant of the Comptroller, if any, for an entire or part of a payroll.

c. The Department of Finance shall prepare for each regular meeting of the Board a list of bills, claims and vouchers that have been paid through the close of business two days prior to the meeting and since the last preceding list was compiled. Such list shall be filed with the Clerk of the Board as a public record.

9. CENTRAL PAYROLL. Salaries, wages and other compensation of all pensioners, officers and employees of the County shall be paid weekly or biweekly as appropriate. The head of each department, office or agency shall certify to the Department of Finance at such times, and in such form as it shall prescribe, the names and positions of all persons employed in or by the department who are entitled to be paid in the next ensuing payroll. The Comptroller shall then complete a central payroll for the County.

Financial Controls and Audit Function

The County is continually enhancing controls relative to the budgetary spending, revenues and procedural compliance. As part of the budgeting system each department, division or agency must include a description of their organizational goals and objectives and work program along with its budget submission package.

During the year, appropriations are reviewed, supervised and controlled by the Department of Finance through sufficiency of funds, encumbrances and forecasting procedures.

The Finance Department has been concentrating on the development of audit programs, cash controls and departmental compliance audits. With the use of these audit programs, scheduled audits are conducted to improve upon the overall efficiency within departments.

In addition to the constant reviews conducted by the Department of Finance, all County departments are responsible for records overseeing their daily operations. The aforementioned area ensure that records kept within County government are in proper condition for the annual audit and the preparation of financial statements. These conditions have stabilized and, in some instances, minimized time spent on audits. As required under the Local Fiscal Affairs Law (N.J.S.A. 40A:5-4), the Board of County Commissioners must appoint an outside auditing firm to conduct an annual audit of all County finances.

The County's implementation of various programs and systems designed to ensure good management practices has been recognized by state and federal levels of government. The National Association of Counties has awarded the County National Achievement Awards in areas of budget management, indirect cost/federal-state grant management, employment skills training and development and ridesharing/van-pooling transportation.

Employees

The County provides services through approximately 1,752 equivalent full-time employees. County employees are represented by labor organizations recognized by the County under the Public Employees Relations Commission Act of 1968.

The principal union of County employees is the Union County Civil Service Association Council #8. This union represents approximately 388 County employees in all classifications of County titles other than those represented by 21 other unions and those employees who are classified as management or confidential.

Status of Labor Contracts

COUNTY OF UNION CONTRACTS EXPIRING 2020 through Present

INDEX	BARGAINING UNIT NAME	UNIT NO.	CONTRACT DURATION	NO. YRS.	Resolution or IA/ Date	STATUS
1	UNION COUNTY NO. 8 NJCSA/IFPTE	51	1/1/2021 - 12/31/2023	3	2022-1029 12/1/22	EXPIRED
2	UNION COUNTY SUPERVISORS ASSOC	52	1/1/2021 - 12/31/2022	2	2022-847 10/6/22	EXPIRED
3	LOCAL 68-68A-68B OPERATING ENGINEERS	54	1/1/2022 - 12/31/2025	4	2022-400 5/12/22	SETTLED
4	UNION CO SOCIAL SERVICES TMSTRS 469 SECONDARY SUPVRS	60	1/1/2022 - 12/31/2025	4	2022-1028 12/1/22	SETTLED
5	TEAMSTERS LOCAL 469-PRIMARY SUPVRS-SOC SERVICES	63	7/1/2021-12/31/2025	5	2022-846 10/6/22	SETTLED
6	UNION COUNTY SOC SVCS CWA AFL-CIO	64	7/1/2020 – 12/31/2024	4 yrs & 6 mo	2022-779 9/15/22	EXPIRED
7	PARK MAINTENANCE ASSOC	66	1/1/2019 – 12/31/2022	4	2021-810 10/21/21	EXPIRED
8	IBEW LOCAL 1158 PROSECUTORS EXCL	71	1/1/2025 - 12/31/2027	3	2025-256 3/13/25	SETTLED
9	HPAE LOCAL 5112 AFL-CIO NURSES	89	1/1/2022 – 12/31/2025	4	2022-1027 12/1/22	SETTLED
10	PBA LOCAL 203 WGHTS & MEAS	53	1/1/2021 - 12/31/2024	4	2023-273 3/16/2023	EXPIRED
11	PBA LOCAL 108 SHERIFFS OFFICERS	55	1/1/2023 - 12/31/2026	4	2024-794 10/9/2024	SETTLED
12	PBA 199A CORRECTION SUPERIOR OFFICERS	56	1/1/2022 - 12/31/2026	5	2022-398 5/12/22	SETTLED
13	PBA LOCAL 199 CO CORRECTION OFFICERS	57	1/1/2024 – 12/31/2027	1	2025-374 - 4/17/25	SETTLED
14	PBA LOCAL 250A SUPERIOR OFFICERS ASSOC PROS DETEC AND INVEST	58	1/1/2021 - 12/31/2025	5	2023-724 8/17/23	SETTLED
15	ASST PROSECUTOR ASSOC-PROSECUTORS	59	1/1/2024 - 12/31/2025	2	2023-964 11/9/2023	SETTLED
16	PBA LOCAL 250 PROS DETEC AND INVEST	61	1/1/2021 - 12/31/2025	5	2023-723 8/17/23	SETTLED
17	PBA LOCAL 73 COUNTY POLICE	65	1/1/2021 - 12/31/2021	1	2021-935 12/2/21	EXPIRED PENDING NEGOTIATIONS
18	PBA LOCAL 73A SUP OFFCR ASSOC COUNTY POL SUPVR	68	1/1/2022 – 12/31/2024	3	2021-1006 12/16/21	EXPIRED

19	PBA LOCAL 108A SHERIFF SUPERIOR OFFICERS	69	1/1/2021 - 12/31/2022	2	2022-263 3/24/22	EXPIRED
20	FMBA (NAGE LOC R2- 343/SEIU 5000) HAZMAT TECHS & RESPNDRS	72	1/1/2021 - 12/31/2026	6	2024-614 7/17/2024	SETTLED
21	INTERNATIONAL ASSOC. OF EMTs AND PARAMEDICS NAGE/SEIU LOCAL 5000	74	10/19/2018 - 12/31/2023	5 yrs & 2.5 mo	2022-401 5/12/22	EXPIRED

Pension Benefits

County employees are principally covered under the New Jersey Public Employees Retirement System (PERS). Law enforcement officers are covered by the Police and Firemen's Retirement System (PFRS).

These employees are on a contributory basis with a contribution funded by the County. The County's expense in connection with the New Jersey Public Employees Retirement System and Police and Fireman Retirement System is funded on an actuarial basis provided by the State. The County is assessed on an annual basis. The sheriff employees' funds are on a noncontributory basis with the total expense funded annually by the County. In 2010 the County initiated the Defined Contribution Retirement Program (DCRP) for the employees who are not eligible for PERS or PFRS.

The County was not required to contribute to the Public Employees Retirement System from 1998 to 2004, nor to the Police and Firemen's Retirement System from 2000 to 2003. County contributions were reinstated on a graduated basis in 2003 as shown on the following schedule.

Pension Contributions as a Percent of Normal Contributions

Year	Public Employees	Police and Firemen
2012	100%	100%
2013	100%	100%
2014	100%	100%
2015	100%	100%
2016	100%	100%
2017	100%	100%
2018	100%	100%
2019	100%	100%
2020	100%	100%
2021	100%	100%
2022	100%	100%
2023	100%	100%
2024	100%	100%

PAYMENTS TO EMPLOYEE RETIREMENT FUNDS FOR YEARS ENDED DECEMBER 31, 2024

	2024 * (Unaudited)	2023	2022	2021	2020
Police & Fire	15,359,691.00	17,047,393.00	17,874,082.19	16,704,791.16	16,548,794.61
Public Employee	18,817,387.00	19,869,708.00	19,025,913.87	17,923,948.00	16,314,109.00
D.C.R.P.	91,470.00	100,000.00	89,190.15	87,844.52	79,189.68
Totals	34,268,548.00	37,017,101.00	36,989,186.21	34,716,583.68	\$32,942,093.29

Potential Liability for Accrued Sick Time and Accrued Vacation Time

Employees accrue sick time at the rate of 15 days per year. The time remains accrued until used. At time of retirement, the accrued unused sick time is used as a basis for calculating terminal leave, to a maximum of \$18,000.

In general, employees accrue vacation time at the rate of 15 days per year for the first five years of service and 30 days per year thereafter. However, there are minor variations pursuant to union contracts. The time remains accrued for 2 years; it must be used or it expires. Terminated employees are paid for accrued time at the current rate. No provision is made in the financial statements for the accrued value of terminal leave and vacation time.

The value of accrued sick time and accrued vacation time totaled approximately \$4,536,321.53 as of December 31, 2024. The County has \$1,710,823.64 reserved for the payment of these obligations.

Investment of County Funds

Investment of funds by New Jersey counties is governed by State statute. Pursuant to N.J.S.A. 40A:5- 15.1, counties are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("U.S. Government Securities"); (2) government money market mutual funds invested in U.S. Government Securities or obligations of New Jersey school districts, municipalities, counties and entities subject to State regulation ("local obligations"); (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular county or a school district located within the particular county; (5) bonds or other obligations having a maturity of 397 days or less (a) constituting local obligations or (b) approved by the Division of Local Government Services of the State Department of Community Affairs; (6) local government investment pools, rated in the highest rating category, investing in U.S. government securities, local obligations and repurchase agreements fully collateralized by securities set forth in (1), (3) and (5) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the "Cash Management Fund"); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above or local obligations. Counties are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq. or may invest directly in permitted investments to the extent practicable and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in U.S. Government Securities, Federal Government Agency obligations, certain short-term investment grade corporate obligations, commercial paper rated "prime", certificates of deposit, repurchase agreements involving U.S. Government Securities and Federal Government Agency obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and a quarter of the securities are permitted to mature in as much as two years.

The County has no investments in derivatives.

LITIGATION

The County, its officers and its employees are defendants in various lawsuits. The Office of the County Counsel has reviewed the status of pending lawsuits. The typical claims made against the County in pending lawsuits primarily consist of civil rights actions brought by employees, former employees and prisoners of the County Jail and actions for false arrest or defamation filed against the Prosecutor. In addition, suits have been filed against the County based on alleged negligence arising out of County operations and breach of contract. It is the opinion of the County Counsel that the pending litigation will not be determined so as to result individually or in the aggregate in a final judgement against the County that would substantially and materially affect the financial status of the County.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

Upon the delivery of the Bonds, the County shall furnish a certificate of the County Counsel, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the County wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the County or adversely affect the power of the County to levy, collect and enforce the collection of taxes or other revenues necessary for the payment of the Bonds, which has not been otherwise disclosed in this Official Statement.

Legal Matters

The legality of the Bonds will be subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel to the County. Such opinion will be to the effect that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the County, enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.
2. The County has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and unless paid from other sources, the County is authorized and required by law to levy on all real property taxable by the County such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon without limitation as to rate or amount.

Such firm has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will not express, and has not been requested to express, an opinion as to the accuracy, completeness or fairness of such statements. See "Appendix B – Proposed Form of Bond Counsel Opinion".

Certificates of County Officials

The original purchasers of the Bonds shall also receive a certificate dated as of the date of delivery of the Bonds and signed by the Chairman of the Board of County Commissioners, the County Manager and the Director of Finance/County Treasurer certifying that (a) as of the date of the Official Statement furnished by the County in relation to the Bonds, said Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the County is not guaranteed as to accuracy, completeness or fairness, they have no reason to believe and do not believe that such information is materially inaccurate or misleading, and (b) to their knowledge, since the date of said Official Statement and since the date of the sale of the Bonds, there have been no material transactions not in the ordinary course of affairs entered into by the County and no material adverse change in the general affairs of the County or in its financial condition as shown in said Official Statement, other than as disclosed in or contemplated by said Official Statement, provided such certificate shall not include consideration of information supplied by or which should have been supplied by the successful bidder for the Bonds. In addition, the original purchasers of the Bonds shall also receive certificates in form satisfactory to Rogut McCarthy LLC, Bond Counsel, evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, and a certificate dated as of the date of delivery of the Bonds, and signed by the officers who signed the Bonds, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of taxes to pay the Bonds or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, and that neither the corporate existence or boundaries of the County nor the title of any of the officers of the County to their respective offices is being contested.

APPROVAL OF OFFICIAL STATEMENT

Prior to the delivery of the Bonds, the Board of County Commissioners will have adopted a resolution approving this Official Statement, deeming it a "final official statement" for purposes of Rule 15c2-12 and directing the Chairman of the Board of County Commissioners, the County Manager and the Director of Finance/County Treasurer to deliver a reasonable number of copies hereof in final form to the original purchasers of the Bonds for use in the sale, resale or distribution of the Bonds.

RATING

Moody's Investors Service (the "Rating Agency") has assigned a rating of "Aaa" to the Bonds. Such bond rating expresses only the view of the Rating Agency.

The County furnished the Rating Agency with certain information and materials concerning the Bonds and the County. Generally, the Rating Agency will base its rating on such information and materials and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that such rating may not be suspended, lowered or withdrawn entirely by the Rating Agency if, in the judgment of the Rating Agency, circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds.

Any explanation of the significance of the rating may be obtained only from Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007.

UNDERWRITING

The Bonds have been purchased at a public sale from the County for resale by the purchasers (the "Underwriters").

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and rebate of certain arbitrage earnings to the United States.

Noncompliance by the County with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The County has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The County's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The County, in executing the Tax Certificate, will certify to the effect that the County expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Bonds, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate.

Tax Opinions

In the opinion of Rogut McCarthy LLC, Bond Counsel to the County, assuming compliance by the County with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Bonds that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. For other Federal tax information, see "Additional Federal Income Tax Consequences" below.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Additional Federal Income Tax Consequences

Prospective purchasers of the Bonds should be aware that ownership of governmental obligations, such as the Bonds, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Bonds. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

Proposals for Legislative Change

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of the Director of Finance/County Treasurer, Dr. Bibi Taylor, Administration Building, 5th Floor, Elizabethtown Plaza, Elizabeth, New Jersey 07207, (908) 527-4055 or Julie Origliato, Deputy County Treasurer, (908) 527-4075.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds of the County, including the Bonds, and such bonds are authorized security for any and all public deposits.

INFECTIOUS DISEASE OUTBREAK – COVID-19

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, then President Trump declared a national emergency to unlock Federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law assembly Bill No. 5820 which terminated most of the Governor’s pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place. See <https://Covid19.nj.gov> for further detail regarding the impact of COVID-19 on the State and the Governor’s various executive orders.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020, c. 74 (“Chapter 74”) on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year’s operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

The County's finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the County's primary revenue source for supporting its budget. The County cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support County functions and critical government actions during an outbreak, or any resulting impact such costs could have on the operations of the County. However, as of the date hereof, even though the County's finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the County have not been materially and adversely affected due to the COVID-19 outbreak.

The degree of any such impact on the operations and finances of the County cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the County and its economy. The County is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

On March 27, 2020, the Federal Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law by then President Trump, authorizing \$2 trillion in Federal funds to provide emergency assistance and health care response for individuals, families and businesses affected by the pandemic. The County received funding in 2020 under the CARES Act in the amount of \$109,848,723.13, and said funds shall be used by the County to help mitigate the impact of the pandemic on the County and its constituent local government units.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 12, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the County.

The County has received the full amount of the relief funds under the Plan in the amount of \$130,591,801.00. The deadline to obligate the funds is December 31, 2024 and spend by December 31, 2026.

Generally, according to the Plan, the allowable use of the funds to be provided to the County include the following categories:

- To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; and
- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the County that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; and
- For the provision of government services to the extent of the reduction in revenue (i.e. online, property or income tax) is due to the public health emergency relative to revenues collected in the most recent full fiscal year of the county prior to the emergency; and
- To make necessary investments in infrastructure, including roads, water, sewer or broadband infrastructure.

As previously stated, the County has received the full amount of the relief funds under the Plan in the amount of \$130,591,801.00. It intends to utilize some of the funding to continue with Covid-19 testing, vaccinations, food distributions and assisting small businesses. Total funds have been obligated through December 31, 2024 for some of the following projects: Overdose Prevention-Naloxone in the Work Place, community outreach projects, maintenance and improvements in the County's parks to promote strong, healthy and safe communities, learning loss program for elementary children addressing educational disparities, academic, social and emotional services, County-wide fiber ring project expanding internet access to County residents, job training assistance (Job Fair) to assist unemployed or underemployed residents, Medicaid application assistance, providing education assistance-Sensory Theater for people on the spectrum and with special needs and mental health services projects, body worn cameras project for community violence interventions, and food insecurity program for students at the Union County College of New Jersey, Senior Citizen and Disabled Veterans Direct Aid project to assist with the economic impact due to the pandemic, legal and financial services and other public health related projects.

SECONDARY MARKET DISCLOSURE

The Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, has adopted amendments to Rule 15c2-12, that generally prohibit a broker, dealer or municipal securities dealer ("Participating Underwriter") from purchasing or selling municipal securities, such as the Bonds, unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format (the "Continuing Disclosure Requirements").

On the date of delivery of the Bonds, the County will enter into a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") containing the Continuing Disclosure Requirements for the benefit of the beneficial holders of the Bonds pursuant to which the County will agree to comply on a continuing basis with the Continuing Disclosure Requirements of Rule 15c2-12. See "Appendix C – Proposed Form of Continuing Disclosure Certificate". Specifically, the County will covenant in the Continuing Disclosure Certificate to provide certain financial information and operating data relating to the County by not later than the first day of the ninth month after the end of each fiscal year of the County, commencing with the fiscal year ending December 31, 2023 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The financial information and operating data to be provided in each Annual Report generally will be consistent with the information set forth under the headings "County Indebtedness and Debt Limits", "Tax Collection Data", "County Budget and Statements of Revenues and Expenditures" and in Appendix A to this Official Statement.

The County previously failed to file, in accordance with Rule 15c2-12, in a timely manner, under previous filing requirements its annual audited financial statements for the fiscal year ending December 31, 2023. Additionally, the County acknowledges that it previously failed to file, in a timely manner, a late filing notice in connection with its late filing of such annual financial information. Such financial information and notice of late filing have been filed with the MSRB's Electronic Municipal Market Access Dataport ("EMMA") as of the date of this Official Statement. Further, some past County filings were not properly linked to certain Union County Improvement Authority and Union County Utilities Authority transactions for which the County was or is an obligated party. Such filings associated with current outstanding bond issues and continuing disclosure agreements have since been corrected. The County appointed Acacia Financial Group, Inc., Mount Laurel, New Jersey, to serve as continuing disclosure agent to assist in the filing of certain information with EMMA, as required under its obligations.

MISCELLANEOUS

All quotations from and summaries and explanations of provisions of laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

The financial information included as Appendix A has been prepared by the County auditors, Wielkottz & Company, LLC, Certified Public Accountants. Such financial information has been included herein upon the authority of that firm and in reliance upon them as experts in municipal accounting and auditing. Wielkottz & Company, LLC, takes responsibility for the financial statements to the extent specified in the Independent Auditor's Report and Accountant's Compilation Report.

This Official Statement is not to be construed as a contract or an agreement between the County and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as an opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the County, the State or any of their agencies or authorities since the date hereof.

This Official Statement has been duly executed and delivered on behalf of the County by the Chairman of the Board of County Commissioners, the County Manager and the Director of Finance/County Treasurer.

COUNTY OF UNION, NEW JERSEY

By: /s/ _____
 Lourdes M. Leon
 Chairman of the Board
 of County Commissioners

By: /s/ _____
 Edward T. Oatman
 County Manager

By: /s/ _____
 Dr. Bibi Taylor
 Director of Finance/
 County Treasurer

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APPENDIX A

FINANCIAL STATEMENTS 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
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners
County of Union
Elizabeth, New Jersey 07207

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the County of Union in the State of New Jersey, as of December 31, 2023 and 2022, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues -regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the County of Union as of December 31, 2023 and 2022, or changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and 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 County of Union, 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 adverse audit opinion.



As described in Note 1 of the financial statements, the financial statements are prepared by the County of Union on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2023 and 2022, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures and changes in fund balance for the year ended December 31, 2023 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for 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 County of Union'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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 judgement 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 County'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Union's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal 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 schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional and are not a required part of the basic financial statements.



The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2024 on our consideration of the County of Union'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 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 County of Union's internal control over financial reporting and compliance.

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

Wielkotz & Company, LLC

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

June 17, 2024



COUNTY OF UNION

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Current Fund:			
Cash and Investments	A-4	\$ 252,346,537	266,709,138
Change Fund	A-5	<u>2,750</u>	<u>2,750</u>
		<u>252,349,287</u>	<u>266,711,888</u>
Receivables and Other Assets with Full Reserves:			
Revenue Accounts Receivable	A-7	1,735,380	1,314,181
Interfunds	A-9	<u>147,259,683</u>	<u>103,107,821</u>
		<u>148,995,063</u>	<u>104,422,002</u>
		<u>401,344,350</u>	<u>371,133,890</u>
Federal and State Grant Fund:			
Cash	A-15	141,674,142	160,889,635
Grants Receivable	A-17	<u>120,772,813</u>	<u>97,409,297</u>
		<u>262,446,955</u>	<u>258,298,932</u>
Total Assets		<u>\$ 663,791,305</u>	<u>629,432,822</u>

COUNTY OF UNION

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-10	\$ 27,376,491	31,201,330
Accounts Payable	A-11	4,118,207	3,540,865
Encumbrances Payable	A-12	17,242,255	28,504,590
Reserve for Sale of Assets	A-13	<u>7,429,566</u>	<u>8,728,762</u>
		<u>56,166,519</u>	<u>71,975,547</u>
Reserve for Receivables	Contra	148,995,063	104,422,002
Fund Balance	A-1	<u>196,182,768</u>	<u>194,736,341</u>
		<u>401,344,350</u>	<u>371,133,890</u>
Federal and State Grant Fund:			
Encumbrances Payable	A-16	38,769,083	60,767,526
Reserve for State and Federal Grants - Appropriated	A-18	167,845,258	144,249,058
Reserve for State and Federal Grants - Unappropriated	A-19	28,119	23,363
Interfunds	A-20	<u>55,804,495</u>	<u>53,258,985</u>
		<u>262,446,955</u>	<u>258,298,932</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 663,791,305</u>	<u>629,432,822</u>

See accompanying notes to financial statements.

COUNTY OF UNION

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues and Other Income:		
Fund Balance Utilized	\$ 37,750,000	37,750,000
Miscellaneous Revenue Anticipated	224,405,615	273,530,655
Receipts from Current Taxes	367,295,299	367,295,299
Non-Budget Revenue	11,597,516	10,807,145
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	34,647,303	29,184,321
Prior Year Interfunds Returned		24,954
Cancellation of Accounts Payable	2,579,186	8,359,814
Cancellation of Appropriated Grants	<u>13,989,448</u>	<u>179,680</u>
Total Revenues and Other Income	<u>692,264,367</u>	<u>727,131,868</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	162,279,699	159,631,331
Other Expenses	302,133,071	371,386,375
Capital Improvement Fund	6,050,000	6,050,000
Debt Service	76,440,491	69,350,291
Deferred Charges and Statutory Expenditures	48,017,804	48,483,176
Interfunds Advanced (Net)	44,151,862	19,719,794
Grant Receivables Canceled	13,939,764	4
Prior Years Adjustment		22,029
Refund of Prior Year Revenue	<u>55,249</u>	<u>161,861</u>
Total Expenditures	<u>653,067,940</u>	<u>674,804,861</u>
Statutory Excess to Surplus	39,196,427	52,327,007
Fund Balance, January 1,	<u>194,736,341</u>	<u>180,159,334</u>
	233,932,768	232,486,341
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>37,750,000</u>	<u>37,750,000</u>
Fund Balance, December 31,	<u>\$ 196,182,768</u>	<u>194,736,341</u>

See accompanying notes to the financial statements.

COUNTY OF UNION
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2023

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 37,750,000	37,750,000	
Miscellaneous Revenues Anticipated:			
<i>Local Revenues:</i>			
County Clerk	1,750,000	1,720,317	-29,683
Surrogate	175,000	208,185	33,185
Sheriff	1,000,000	1,057,257	57,257
Interest on Investments and Deposits	350,000	14,944,276	14,594,276
County Hospital Board of Pay Patients	14,000,000	16,878,493	2,878,493
Register - Realty Transfer Fees	6,500,000	6,496,906	-3,094
Department of Parks and Recreation Facilities Revenue	6,970,000	8,642,017	1,672,017
Permits - County Road Department	120,000	218,626	98,626
Rent - 921 Elizabeth Avenue	457,000	499,280	42,280
	<u>31,322,000</u>	<u>50,665,357</u>	<u>19,343,357</u>
<i>State Aid:</i>			
County College Bonds (N.J.S.A. 18A:64A-22.6)	<u>2,431,664</u>	<u>2,431,664</u>	
<i>State Assumption of Costs:</i>			
Supplemental Social Security Income	<u>1,594,001</u>	<u>2,040,719</u>	<u>446,718</u>
<i>Public and Private Programs:</i>			
Alcohol/Drug Abuse (A/DA) Innovative Grant	170,574	170,574	
APC - Adult Protective Services (ARPA)	178,166	178,166	
Area Plan Contract - Social Services Block Grant (Community Care for the Elderly)	469,725	469,725	
ARPA III B FED.	369,214	369,214	
ARPA III C-1 FED.	177,423	177,423	
ARPA III C-2 FED.	368,854	368,854	
ARPA III D FED.	35,329	35,329	
ARPA III E FED.	125,371	125,371	
Automated License Plate Reader Initiative (ARPA)	250,500	250,500	
Body Armor Replacement Fund	23,363	23,363	
Child Advocacy Development Grant - Treatment Services, Programs, Technology and Capital Improvement	117,411	117,411	
Childhood Lead Exposure Prevention Grant	415,507	415,507	
Clark Reservoir Dredging and Pollution Remediation Project	250,000	250,000	
Clean Communities Program	71,081	71,081	
Community Mental Health Services Block Grant	30,000	30,000	
Community Service Block Grant (CSBG)	958,867	958,867	
Comprehensive Alcohol Program	838,211	838,211	
Comprehensive Cancer Control Grant	22,500	22,500	
Comprehensive Traffic Safety Program	78,650	78,650	
Congressional Directives Grant - Mental Health & Recovery Support Services	661,000	661,000	
County Clerk - Springfield 2023 - Special School Election Reimbursement	73,251	73,251	
County Clerk - Westfield 2023 - Special School Election Reimbursement	79,754	79,754	
County Environmental Health Act (CEHA)	255,726	255,726	
County Health Infrastructure Program	1,265,585	1,265,585	

COUNTY OF UNION
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2023

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
County Police Gunshot Detection Tech. Initiative (ARP)	150,000	150,000	
COVID-19 Vaccination Supplemental Funding Grant	90,000	90,000	
Data-Driven Decision Making: Organizational Enhancement Program	20,000	20,000	
Department of Corrections State Aid	3,500,000	3,500,000	
Development, Capital and Operating Expenses - DGLS (Ash Brook Project)	13,750,000	13,750,000	
DMHAS Youth Leadership Grant	53,720	53,720	
DOL Workforce Innovation & Opportunity Act (WIOA) - Adult	1,253,692	1,253,692	
DOL Workforce Innovation & Opportunity Act (WIOA) - Dislocated Worker	1,278,385	1,278,385	
DOL Workforce Innovation & Opportunity Act (WIOA) - Youth	1,367,083	1,367,083	
DOL - Workforce Innovation & Opportunity Act (WIOA) - Data Reporting & Analysis	12,971	12,971	
DOL - WorkFirst New Jersey - Workforce SmartSTEPS	3,210	3,210	
DOL - WorkFirst New Jersey (WFNJ)	1,852,177	1,852,177	
DOL - Workforce Learning Link	336,000	336,000	
Drug Recognition Expert (DRE) Callout Program	74,000	74,000	
Edward Byrne Memorial JAG-Multi-Jurisdictional County Gang, Gun & Narcotics Task Force	508,966	508,966	
Emergency Management Agency Assistance (EMAA)	55,000	55,000	
Family Court Services	248,737	248,737	
Family Violence Prevention Services Act - ARP	95,000	95,000	
FTA Section 5310 Mobility Management Program	311,780	311,780	
Hazard Mitigation Plan Update Grant	200,000	200,000	
HOME Investment Partnerships American Rescue Plan Program (HOME-ARP)	4,233,515	4,233,515	
Human Services Advisory Council (HSAC)	336,284	336,284	
Insurance Fraud Program	250,000	250,000	
Jail Diversion Program	66,950	66,950	
Jersey Assistance for Community Caregiving (JACC)	57,000	57,000	
Juvenile Detention Alternative Initiative (JDAI)	120,000	120,000	
Law Enforcement Officers Training & Equipment Fund (LEOTEF)	13,092	13,092	
LEAP County Coordinator Fellowship Grant	55,890	55,890	
Local Agreement Cranford Rectangular Rapid Flashing Beacon (Springfield Ave)	76,534	76,534	
Local Core Capacity for Public Health Emergency Preparedness LINC	433,038	433,038	
Low Income Home Energy Assistance Program (LIHEAP)	17,676	17,676	
Medicaid Reimbursement LogistiCare	28,000	28,000	
Medication Assisted Treatment for Substance Use Disorder in the New Jersey County Jails	367,800	367,800	
MOU - Temporary Mobility Assignment	126,900	126,900	
Municipal Alliance Program	244,862	244,862	
New Jersey State Council on the Arts Block Grant	434,400	434,400	
NJ Division Public Welfare Community Coordinated Care-Local	100,000	100,000	
NJ EMS Task Force ASAP Grant	3,946	3,946	
NJ Historic Trust Grant - Feltville Historic District	191,248	191,248	
NJ Historical Commission Grant	87,955	87,955	
NJ Job Access and Reverse Commute (NJ JARC)	385,000	385,000	
NJACCHO Enhancing Local Public Health Infrastructure	1,613,746	1,613,746	
Office on Aging - State Aid	58,000	58,000	
Older Americans Act Title III - Area Plan Contract - Federal	2,929,868	2,929,868	
Older Americans Act Title III - Area Plan Contract - State	1,058,183	1,058,183	
Opioid Litigation Recovery Funds	586,603	586,603	
Opioid Public Health Crisis Response - Operation Helping Hand	105,263	105,263	
Paratransit Aging	133,269	133,269	
Paul Coverdell - Forensic Science Improvement Program	260,665	260,665	
Personal Assistance Service Program (PASP)	51,930	51,930	
Prosecutor - Gunshot Detection Technology Initiative	355,500	355,500	
Public Safety Answering Point (PSAP)	518,268	518,268	

COUNTY OF UNION
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2023

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Rape Prevention & Education (RPE) SOSA-SAARC	8,814	8,814	
Recovery Mobile Van Program	200,000	200,000	
Recreational Opportunities for Individuals with Disabilities (ROID)	35,000	35,000	
Recycling Enhancement Act Grant	518,400	518,400	
Respite Care Program	348,566	348,566	
Right to Know Project	16,401	16,401	
Senior Citizens Disabled Resident Transportation Program (SCDR)	1,474,806	1,474,806	
Senior Farmers Market Nutrition Program	20,743	20,743	
Sexual Assault, Abuse & Rape Care (SAARC) - Expansion Direct Services	304,980	304,980	
Sexual Assault Response Team/Forensic Nurse Examiner Program - SANE	170,035	170,035	
SFY 2023 County Reentry Coordinators (CRC) Grant	100,000	100,000	
SNAP Admin. Funding (ARPA)	367,231	367,231	
SNAP Application Timeliness (ARPA)	447,586	447,586	
Social Services for the Homeless (SSH)	999,018	999,018	
Social Services for the Homeless (TANF)	155,304	155,304	
Special Traffic Enforcement Program - STEP	63,000	63,000	
State Health Insurance Assistance Program (SHIP)	35,000	35,000	
State Homeland Security Program	301,159	301,159	
State/Community Partnership Program	736,143	736,143	
STOP Violence Against Women - VAWA-DV Advocate	34,495	34,495	
Subregional Support Program	15,000	15,000	
Subregional Transportation Planning Program	137,822	137,822	
SuperNOFA Continuum of Care (CoC) Program	4,793,789	4,793,789	
UCBOE Poll Worker Pay Reimbursement (Primary and General Election) 2023	891,000	891,000	
UCBOE HAVA Grant - Bilingual Virtual Poll Worker Training	4,624	4,624	
UCBOE Drop Box Pickups	133,395	133,395	
UCBOE Early Voting EV Equipment and Warehouse Rental Grant	1,224,950	1,224,950	
UCBOE Electronic Poll Book Warehouse Lease	919,223	919,223	
UCBOE HAVA Grant - Call Bell Replacement Project	17,471	17,471	
UCBOE Hillside Run-Off Election 2023	15,250	15,250	
UCBOE Rutgers Training Grant: Back to Basics Election Training	4,375	4,375	
UCBOE Seal Asset Tracking Management System	57,064	57,064	
UCBOE Springfield Special School Election	26,000	26,000	
UCBOE Westfield School Board Election	30,000	30,000	
Union County Improving Library Shared Services	250,000	250,000	
Union County Mental Health Program-Pediatric Behavior	5,000,000	5,000,000	
Union County Middlesex Reservoir Water Reclamation Project	10,000,000	10,000,000	
Universal Service Fund - CWA Administration	11,784	11,784	
Urban Area Security Initiative Program (UASI)	1,965,068	1,965,068	
US DOJ - DNA Capacity Enhancement & Backlog Reduction Grant	611,349	611,349	
Veterans Transportation Program	12,000	12,000	
Victims of Crime Act (VOCA) Victim Assistance Grant (VAG) Program	145,000	145,000	
Victims of Crime Act - VOCA	446,688	446,688	
VSE - One Time Sexual Violence Funding	165,990	165,990	
Warinanco Park Upgrades	11,000,000	11,000,000	
	<u>91,962,691</u>	<u>91,962,691</u>	
<i>Other Special Items:</i>			
Constitutional Officers - Increased Fees (P.L. 2001, c. 370):			
County Clerk	1,800,000	1,428,204	-371,796
Surrogate	285,000	326,642	41,642
Sheriff	500,000	699,383	199,383
Reimbursement from State and Federal Grant Programs:			
Fringe Benefits Expenditures	2,150,000	3,438,748	1,288,748
Indirect Costs	450,000	1,176,270	726,270
Education Building Aid	400,000	86,166	-313,834
Debt Service - Open Space	5,341,259	5,341,259	
Quarry Revenue	200,000	90,238	-109,762
New Jersey Division of Economic Assistance - Earned Grant	40,000,000	47,533,437	7,533,437
Franchise Fees - Jersey Gardens	50,000	327,606	277,606
Title IV D-Facility Reimbursement	1,050,000	1,762,872	712,872
Union College of Union County - Insurance Reimbursement	6,095,848	5,720,959	-374,889

COUNTY OF UNION
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2023

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Pilot's	450,000	1,285,891	835,891
Open Space - Parks Maintenance	2,500,000	2,500,000	
Rental Income UC College/Trinitas Hospital Kellogg Building	180,000	166,667	-13,333
Dispatch Services	750,000	1,047,262	297,262
Ambulance Services	1,000,000	2,373,580	1,373,580
Union County Utilities Authority	500,000	500,000	
Sale of Asset - County Infrastructure Program	1,500,000	1,500,000	
	<u>65,202,107</u>	<u>77,305,184</u>	<u>12,103,077</u>
Total Miscellaneous Revenues Anticipated	<u>192,512,463</u>	<u>224,405,615</u>	<u>31,893,152</u>
Subtotal General Revenues	230,262,463	262,155,615	31,893,152
Amount to be Raised by Taxation	<u>367,295,299</u>	<u>367,295,299</u>	
Budget Totals	<u>\$ 597,557,762</u>	<u>629,450,914</u>	<u>31,893,152</u>
Miscellaneous Revenue Not Anticipated (Nonbudget)		<u>11,597,516</u>	
		<u>\$ 641,048,430</u>	

COUNTY OF UNION
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2023

Added and Omitted County Taxes		\$	1,514,707
Miscellaneous Revenue Not Anticipated:			
ATM Commissions	\$	928	
Auction Proceeds		19,272	
Autopsy/Med Exam		678	
Bail Forfeitures		200	
Cell - AT&T Scotch Plains		40,686	
Cell - Verizon Scotch Plains		40,905	
Check Fees		180	
Construction Board Appeal		1,700	
Copies		303	
Corrections Processing Fee		37,102	
County Police Reimbursement		3,030	
Countywide Vending Machines		10,114	
DDD Inst. Developmentally Disabled		315,376	
Elections - Clerk		164,099	
Elections - Election Board		1,309	
Fire Training Academy		148,495	
Health (Food) Inspections		8,165	
Hurricane Ida		916,600	
Insurance Refund/RX Rebates		1,743,659	
Jobs in Blue (Admin.)		231,584	
Jobs in Blue (Vehicles Fee)		310,595	
Jury Duty		250	
Lease Fiber Optic Line		62,363	
Lease No. Broad St.		600	
Liens		2,954	
Mental Health Director		9,000	
Miscellaneous		123,466	
Motor Vehicles		323,579	
Park Mad. UCIA		553,199	
Park Police		2,461	
Payroll Refunds		3,534	
PGA Events		8,000	
Planning Board		6,294	
Postage Reimbursement		5,297	
Print & Dup.		46,372	
Probation		2,012	
Prosecutor Discovery		8,000	
Prosecutor OT		24,492	
Redistricting		3,470	
Restitution		5,248	
Retiree Benefits due to County		504,695	
Sale Assets/Scrap		15,754	
Sale of Land		121,650	
SCAAP - Jail		1,103,171	
Service Fees Court		147,558	
Shared Services Scotch Plains		62,424	
Shared Services Berkeley Heights		96,415	
Shared Services Hillside Health		35,893	
Shared Services Roselle Health		78,540	
Sheriff OT		69,927	
Site Plan Sub Fees		78,296	
Social Services Food Stamp Fraud		165,876	
Social Services Medically Needy Program		287,960	
Social Services Medicare Outstation		394,480	
Social Services Medical Assistance (MAP)		595,920	
Social Services Child Incentive		485,682	
SSA		8,400	
St. Rental Chancery Ct.		67,169	
Tax Refunds		5,203	
Towing Licenses		14,135	
Tuition Refunds		9,000	
UC Utilities Authority Intricl.		187,500	
UCPD Found Property/Currency		30	
Vacation Purchase		108,707	
Vertical Bridge - Scotch Plains		44,087	
Web Services		6,000	
Worker's Comp.		202,766	
			<u>10,082,809</u>
		\$	<u><u>11,597,516</u></u>

See accompanying notes to the financial statements.

COUNTY OF UNION
Statement of Expenditures-Regulatory Basis

	Current Fund					
	Year Ended December 31, 2023					
	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	
OPERATIONS:						
GENERAL GOVERNMENT						
County Manager's Office:						
Salaries and Wages	431,629	431,629	358,862	72,767		
Other Expenses	135,500	135,500	70,171	65,329		
Special Studies Initiatives	757,000	757,000	730,475	26,525		
Board of County Commissioners:						
Salaries and Wages	553,245	553,245	552,489	756		
Other Expenses	120,000	120,000	103,017	16,983		
Annual Audit	240,000	240,000		240,000		
Other Accounting and Auditing Fees	125,000	125,000		125,000		
County Infrastructure and Improvement Program	1,500,000	1,500,000	1,500,000			
Clerk of the Board:						
Salaries and Wages	1,204,749	1,204,749	975,800	228,949		
Other Expenses	240,500	240,500	202,946	37,554		
Status of Women Advisory Board	5,000	5,000		5,000		
County Clerk:						
Salaries and Wages	2,559,677	2,559,677	2,298,126	261,551		
Other Expenses	189,700	189,700	176,048	13,652		
Board of Elections:						
Salaries and Wages	2,067,171	2,067,171	1,961,639	105,532		
Other Expenses	640,795	640,795	565,825	74,970		
Elections (County Clerk):						
Salaries and Wages	284,411	239,411	79,149	160,262		
Other Expenses	1,158,100	1,203,100	1,097,604	105,496		
Department of Finance:						
Office of Director:						
Salaries and Wages	261,818	261,818				
Other Expenses	167,500	167,500	155,020	12,480		
Public Obligations Registration Act P.L. 1983 Ch. 243						
Financial Administration:						
Other Expenses	100,000	100,000		100,000		
Division of Reimbursement:						
Salaries and Wages	489,829	489,829	398,523	91,306		
Other Expenses	3,500	3,500	805	2,695		
Division of Treasurer:						
Salaries and Wages	387,178	387,178	361,490	25,688		
Other Expenses	81,000	81,000	35,992	45,008		
Division of Comptroller:						
Salaries and Wages	916,659	916,659	631,990	284,669		
Other Expenses	18,500	18,500	18,291	209		
Division of Internal Audit:						
Salaries and Wages	358,449	358,449	218,086	140,363		
Other Expenses	2,500	2,500	1,047	1,453		
Aid to Union County Improvement Authority	150,000	150,000	136,000	14,000		

COUNTY OF UNION
Statement of Expenditures-Regulatory Basis

	Current Fund					
	Year Ended December 31, 2023					
	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	
Department of Law:						
Office of County Counsel:						
Salaries and Wages	1,402,127	1,402,127	1,369,066	33,061		
Other Expenses	97,300	97,300	81,907	15,393		
Office of County Adjuster:						
Salaries and Wages	418,193	418,193	414,957	3,236		
Other Expenses	1,000	1,000	410	590		
Department of Administrative Services:						
Office of Director:						
Salaries and Wages	350,349	337,511	234,796	102,715		
Other Expenses	25,500	25,500	4,929	20,571		
Division of Motor Vehicles:						
Salaries and Wages	1,907,385	1,757,385	1,606,000	151,385		
Other Expenses	4,460,000	4,610,000	4,526,759	83,241		
Division of Personnel Management and Labor Relations:						
Salaries and Wages	1,226,447	1,226,447	1,182,357	44,090		
Other Expenses	1,280,700	1,280,700	1,131,858	148,842		
Division of Purchasing:						
Salaries and Wages	483,964	483,964	483,960	4		
Other Expenses	249,130	249,130	247,148	1,982		
Board of Taxation:						
Salaries and Wages	298,340	298,340	298,339	1		
County Surrogate:						
Salaries and Wages	1,173,158	1,173,158	1,163,799	9,359		
Other Expenses	36,200	36,200	36,143	57		
Department of Economic Development:						
Office of Director:						
Salaries and Wages	452,711	452,711	452,710	1		
Other Expenses	112,000	112,000	49,519	62,481		
Division of Information Technologies:						
Salaries and Wages	837,749	837,749	818,604	19,145		
Other Expenses	2,052,000	2,052,000	1,988,998	63,002		
Community Development and Housing:						
Salaries and Wages	338,291	338,291	288,444	49,847		
Other Expenses	254,500	254,500	225,541	28,959		
Division of Strategic Planning and Intergovernment:						
Salaries and Wages	554,344	554,344	466,286	88,058		
Other Expenses	471,000	471,000	425,332	45,668		
Insurance:						
Group Insurance Plan for Employees	53,417,533	55,417,533	54,343,354	1,074,179		
Surety Bond Premiums	12,000	12,000	8,745	3,255		
Unemployment Insurance	150,000	150,000	150,000			
Other Insurance Premiums	9,239,409	9,239,409	7,656,091	1,583,318		
Employees' Prescription Plan	26,803,875	24,803,875	22,135,385	2,668,490		
Dental Plan	900,000	900,000	541,400	358,600		
Disability	200,000	200,000	200,000			

COUNTY OF UNION

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2023

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
PUBLIC SAFETY					
Office of the Sheriff:					
Salaries and Wages	23,390,653	23,347,653	21,530,226	1,817,427	
Other Expenses	517,000	610,000	578,281	31,719	
Division of Corrections:					
Salaries and Wages	6,285,971	6,135,971	5,799,967	336,004	
Other Expenses	18,403,500	18,403,500	15,376,288	3,027,212	
Juvenile Detention:					
Salaries and Wages	74,290	74,290	6,258	68,032	
Other Expenses	1,500,000	2,000,000	1,562,200	437,800	
Department of Public Safety:					
Office of Director:					
Salaries and Wages	304,380	304,380	278,965	25,415	
Other Expenses	1,000	1,000	895	105	
Division of Weights and Measures:					
Salaries and Wages	391,015	391,015	389,489	1,526	
Other Expenses	4,100	4,100	2,737	1,363	
Division of Medical Examiner:					
Salaries and Wages	708,993	733,993	694,533	39,460	
Office Expenses	640,924	940,924	762,391	178,533	
Division of Emergency Management:					
Salaries and Wages	1,101,140	1,151,140	1,059,990	91,150	
Office Expenses	307,900	307,900	307,736	164	
Emergency Medical Services:					
Salaries and Wages	1,878,735	2,303,735	2,003,117	300,618	
Other Expenses	135,000	206,000	134,975	71,025	
Division of Police:					
Salaries and Wages	11,599,934	11,924,934	11,000,056	924,878	
Other Expenses	306,000	306,000	302,276	3,724	
Division of Health:					
Salaries and Wages	506,396	435,396	396,842	38,554	
Other Expenses	217,683	217,683	160,394	57,289	
Bureau of Fire Academy:					
Salaries and Wages	311,047	311,047	307,096	3,951	
Office Expenses	69,200	69,200	66,305	2,895	
County Prosecutor's Office:					
Salaries and Wages	25,276,022	25,276,022	23,517,947	1,758,075	
Other Expenses	916,000	916,000	908,654	7,346	
Contribution to Soil Conservation District (N.J.S. 4:24-22(i)):	37,832	37,832			

COUNTY OF UNION
Statement of Expenditures-Regulatory Basis

	Current Fund		Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
	Budget	Year Ended December 31, 2023				
OPERATIONAL SERVICES						
Department of Engineering, Public Works and Facilities Management:						
Office of Director:						
Salaries and Wages	67,659	67,659	51,254	16,405		
Other Expenses	9,700	9,700	7,883	1,817		
Division of Public Works:						
Salaries and Wages	2,552,697	2,552,697	2,067,168	485,529		
Other Expenses	50,200	50,200	49,849	351		
Division of Facilities Management:						
Salaries and Wages	8,141,707	7,741,707	7,186,796	554,911		
Other Expenses	8,577,500	8,577,500	8,550,907	26,593		
Engineering, Land and Facilities Planning:						
Salaries and Wages	1,156,253	1,156,253	1,067,449	88,804		
Other Expenses	419,000	419,000	415,027	3,973		
Contribution for Flood Control	15,335	15,335	15,335			
HEALTH & WELFARE						
Crippled Children	50,000	50,000	50,000			
Cornerstone Psychiatric/Runnells Specialized Hospital:						
Salaries and Wages	7,116,828	7,116,828	6,799,003	317,825		
Other Expenses	7,462,663	7,462,663	7,390,009	72,654		
Adult Diagnostic Center:						
Other Expenses	9,000	9,000	9,000	9,000		
Psychiatric Treatment:						
Other Expenses	5,000	5,000	5,000	5,000		
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S.A. 30:4-79)	3,984,304	3,984,304	3,984,304			
Rutgers Behavioral Health Care	12,377	12,377	12,377			
Maintenance of Patients in State Geriatric Center	153,000	153,000	67,528	85,472		
Department of Human Services:						
Office of Director:						
Salaries and Wages	939,690	939,690	904,510	35,180		
Other Expenses	1,687,708	1,687,708	1,611,820	75,888		
Division of Aging:						
Salaries and Wages	419,235	419,235	362,838	56,397		
Other Expenses	2,185,234	2,185,234	2,183,111	2,123		
Division of Youth Services:						
Salaries and Wages	925,379	925,379	796,452	128,927		
Other Expenses	104,499	104,499	89,134	15,365		

COUNTY OF UNION
Statement of Expenditures-Regulatory Basis

	Current Fund				Unexpended Balance Cancelled
	Year Ended December 31, 2023				
	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	
Employment and Training:					
Salaries and Wages	261,539	261,539	260,899	640	
Other Expenses	38,550	38,550	26,945	11,605	
Division of Social Services:					
Salaries and Wages	38,946,837	38,716,837	36,137,393	2,579,444	
Other Expenses	9,817,737	10,047,737	9,325,095	722,642	
Division of Individual & Family Support Services:					
Salaries and Wages	623,522	623,522	577,451	46,071	
Other Expenses	846,567	846,567	787,930	58,637	
Division of Paratransit:					
Salaries and Wages	56,082	57,082	56,082	1,000	
Other Expenses	2,600,000	2,600,000	2,600,000		
Division of Outreach & Advocacy:					
Salaries and Wages	665,443	670,443	646,520	23,923	
Other Expenses	22,100	22,100	21,273	827	
RECREATIONAL					
Department of Parks and Recreation:					
Office of Director:					
Salaries and Wages	1,125,941	1,125,941	1,080,254	45,687	
Other Expenses	222,000	222,000	221,549	451	
Recreation Facilities:					
Salaries and Wages	2,310,968	2,310,968	2,080,619	230,349	
Other Expenses	8,285,020	8,285,020	8,159,787	125,233	
Division of Planning and Environmental Services:					
Salaries and Wages	668,402	668,402	562,325	106,077	
Other Expenses	107,000	107,000	93,305	13,695	
Park Maintenance:					
Salaries and Wages	3,096,894	3,096,894	2,658,589	438,305	
Other Expenses	590,100	590,100	577,477	12,623	
Cultural and Heritage Affairs:					
Salaries and Wages	190,675	190,675	159,911	30,764	
Other Expenses	19,860	19,860	19,784	76	
EDUCATIONAL					
Office of County Superintendent of Schools:					
Salaries and Wages	291,937	291,937	284,270	7,667	
Other Expenses	12,500	12,500	3,270	9,230	
Union County Community College System					
Vocational Schools	16,053,315	16,053,315	16,053,314	1	
	5,553,393	5,553,393	5,553,393		
Union County Extension Service in Agriculture, Home Economics and 4-H:					
Salaries and Wages	56,400	56,400	41,382	15,018	
Other Expenses	132,691	132,691	4,719	127,972	
Scholarship Program	190,000	190,000	190,000		
Reimbursement for Residents Attending Out-of-County Two-Year Colleges and Vocational Technical Schools (N.J.S. 18A:64A-23) and (N.J.S. 18A:54-23.4)	217,000	217,000	121,000	96,000	
Educational Services Commission (N.J.S.A. 40:23-6.11) and (N.J.S.A. 18A:6-67)	70,000	70,000	70,000		

COUNTY OF UNION
Statement of Expenditures-Regulatory Basis

Current Fund						
Year Ended December 31, 2023						
	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled	
UNCLASSIFIED						
Prior Year Bills:						
2017 - Econ. Dev. - Comm Svcs- KOAM Inv Group LLC	4,042	4,042	4,042			
2017 - Facilities Management - KOAM Inv Group LLC	6,481	6,481	6,481			
2018 - County Counsel - Automated Transcription Svcs	246	246	246			
2018 - Sheriff - Kodex, Inc	479	479	479			
2019 - Econ. Dev. - Comm Svcs - KOAM Inv Group LLC	4,163	4,163	4,163			
2019 - Sheriff - Corrections - Depticor	23,250	23,250	23,250			
2019 - Sheriff - Forensics Source	56	56	56			
2020 - Cornerstone - Waystar Inc	658	658	658			
2020 - County Adjuster - New Burdge Medical Ctr	136	136	136			
2020 - County Clerk - Arpeggio Software LLC	2,000	2,000	2,000			
2020 - County Counsel - Automated Transcription Svcs	316	316	316			
2020 - County Counsel - Thomson Reuters	1,046	1,046	1,046			
2020 - Econ. Dev. - Comm Svcs - Criterion Pictures	395	395	395			
2020 - Econ. Dev. - Comm Svcs - KOAM Inv Group LLC	4,519	4,519	4,519			
2020 - Facilities Management - KOAM Inv Group LLC	7,088	7,088	7,088			
2020 - Social Services - Agape House	399	399	399			
2020 - Social Services - Intown Motor Lodge	50	50	50			
2020 - Social Services - Newark YMCA	47,059	47,059	47,059			
2020 - Social Services - Ratan	150	150	150			
2020 - Social Services - Salvation Army	7,778	7,778	7,778			
2020 - Social Services - Travelodge	350	350	350			
2020 - Social Services - Travelodge Avenel	400	400	400			
2020 - Social Services - WB Mason	2,511	2,511	2,511			
2021 - County Adjuster - Meadowview Psychiatric Hosp.	25,813	25,813	25,813			
2021 - County Adjuster - New Bridge Medical Ctr	2,963	2,963	2,963			
2021 - Election Board - A Rifkin Co.	2,576	2,576	2,576			
2021 - Social Services - Days Hotel	600	600	600			
2021 - Social Services - Newark YMCA	841	841	841			
2021 - Social Services - PrimePoint LLC	6,300	6,300	6,300			
2021 - Social Services - Ratan Howard Johnson	2,930	2,930	2,930			
2021 - Social Services - RonLee Realty LLC	56,494	56,494	56,494			
2021 - Social Services - Salvation Army	44	44	44			
2021 - Social Services - The Gateway Family Ctr	914	914	914			
Sick Leave Compensation	2,000,000	2,000,000	2,000,000			
Salary Adjustment	1,118,162					
UTILITIES (40A-4-45 4H)						
County	9,389,000	9,389,000	9,385,548	3,452		
Cornerstone	8,100	8,100	8,025	75		
Social Services	65,000	65,000	59,790	5,210		
PUBLIC & PRIVATE PROGRAMS OFFSET						
BY REVENUES						
Matching Funds for Grants	235,857	235,857			235,857	
Alcohol/Drug Abuse (AIDA) Innovative Grant	170,574	170,574	170,574			
APC - Adult Protective Services (ARPA)	178,166	178,166	178,166			
Area Plan Contract - Social Services Block Grant (Community Care for the Elderly)	469,725	469,725	469,725			
Match	29,131	29,131	29,131			
ARPA III B FED.	369,214	369,214	369,214			
ARPA III C-1 FED.	177,423	177,423	177,423			
ARPA III C-2 FED.	368,854	368,854	368,854			
ARPA III D FED.	35,329	35,329	35,329			
ARPA III E FED.	125,371	125,371	125,371			
Automated License Plate Reader Initiative (ARPA)	250,500	250,500	250,500			

COUNTY OF UNION
Statement of Expenditures-Regulatory Basis

	Current Fund		Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
	Budget					
Year Ended December 31, 2023	23,363	23,363				
Body Armor Replacement Fund						
Child Advocacy Development Grant - Treatment Services, Programs, Technology and Capital Improvement	117,411	117,411		117,411		
Childhood Lead Exposure Prevention Grant	415,507	415,507		415,507		
Clark Reservoir Dredging and Pollution Remediation Project	250,000	250,000		250,000		
Clean Communities Program	71,081	71,081		71,081		
Community Mental Health Services Block Grant	30,000	30,000		30,000		
Community Service Block Grant (CSBG)	958,867	958,867		958,867		
Comprehensive Alcohol Program	838,211	838,211		838,211		
Match	111,827	111,827		111,827		
Comprehensive Cancer Control Grant	22,500	22,500		22,500		
Comprehensive Traffic Safety Program	78,650	78,650		78,650		
Congressional Directives Grant - Mental Health & Recovery Support Services	661,000	661,000		661,000		
County Clerk - Springfield 2023 - Special School Election Reimbursement	73,251	73,251		73,251		
County Clerk - Westfield 2023 - Special School Election Reimbursement	79,754	79,754		79,754		
County Environmental Health Act (CEHA)	255,726	255,726		255,726		
County Health Infrastructure Program	1,265,585	1,265,585		1,265,585		
County Police Gunshot Detection Tech. Initiative (ARP)	150,000	150,000		150,000		
COVID-19 Vaccination Supplemental Funding Grant	90,000	90,000		90,000		
Date-Driven Decision Making: Organizational Enhancement Program	20,000	20,000		20,000		
Department of Corrections State Aid	3,500,000	3,500,000		3,500,000		
Development, Capital and Operating Expenses - DGLS (Ash Brook Project)	13,750,000	13,750,000		13,750,000		
DMHAS Youth Leadership Grant	53,720	53,720		53,720		
DOL Workforce Innovation & Opportunity Act (WIOA) - Adult	1,253,692	1,253,692		1,253,692		
DOL Workforce Innovation & Opportunity Act (WIOA) - Dislocated Worker	1,278,385	1,278,385		1,278,385		
DOL Workforce Innovation & Opportunity Act (WIOA) - Youth	1,367,083	1,367,083		1,367,083		
DOL - Workforce Innovation & Opportunity Act (WIOA) - Data Reporting & Analysis	12,971	12,971		12,971		
DOL - WorkFirst New Jersey (WFNJ)	3,210	3,210		3,210		
DOL - Workforce Learning Link	1,852,177	1,852,177		1,852,177		
DOL - Workforce Learning Link	336,000	336,000		336,000		
Drug Recognition Expert (DRE) Callout Program	74,000	74,000		74,000		
Edward Byrne Memorial JAG-Multi-Jurisdictional County Gang, Gun & Narcotics Task Force	508,966	508,966		508,966		
Emergency Management Agency Assistance (EMAA)	55,000	55,000		55,000		
Family Court Services	248,737	248,737		248,737		
Family Violence Prevention Services Act - ARP	95,000	95,000		95,000		
FTA Section 5310 Mobility Management Program	311,780	311,780		311,780		
Hazard Mitigation Plan Update Grant	200,000	200,000		200,000		
HOME Investment Partnerships American Rescue Plan Program (HOME-ARP)	4,233,515	4,233,515		4,233,515		
Human Services Advisory Council (HSAC)	336,284	336,284		336,284		
Match	17,011	17,011		17,011		
Insurance Fraud Program	250,000	250,000		250,000		
Jail Diversion Program	66,950	66,950		66,950		
Jersey Assistance for Community Caregiving (JACC)	57,000	57,000		57,000		
Juvenile Detention Alternative Initiative (JDAI)	120,000	120,000		120,000		
Law Enforcement Officers Training & Equipment Fund (LEOTEF)	13,092	13,092		13,092		
LEAP County Coordinator Fellowship Grant	55,890	55,890		55,890		
Local Agreement Cranford Rectangular Rapid Flashing Beacon (Springfield Ave)	76,534	76,534		76,534		
Local Core Capacity for Public Health Emergency Preparedness LINGS	433,038	433,038		433,038		
Low Income Home Energy Assistance Program (LIHEAP)	17,676	17,676		17,676		
Medicaid Reimbursement Logistics	28,000	28,000		28,000		
Medication Assisted Treatment for Substance Use Disorder in the New Jersey County Jails	367,800	367,800		367,800		
MOU - Temporary Mobility Assignment	126,900	126,900		126,900		
Municipal Alliance Program	244,862	244,862		244,862		
New Jersey State Council on the Arts Block Grant	434,400	434,400		434,400		
NJ Division Public Welfare Community Coordinated Care-Local	100,000	100,000		100,000		
NJ EMS Task Force ASAP Grant	3,946	3,946		3,946		

COUNTY OF UNION

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2023

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
NJ Historic Trust Grant - Felville Historic District	191,248	191,248	191,248		
NJ Historical Commission Grant	87,955	87,955	87,955		
Match	37,500	37,500	37,500		
NJ Job Access and Reverse Commute (NJ JARC)	385,000	385,000	385,000		
Match	385,000	385,000	385,000		
NJACCHO Enhancing Local Public Health Infrastructure	1,613,746	1,613,746	1,613,746		
Office on Aging - State Aid	58,000	58,000	58,000		
Older Americans Act Title III - Area Plan Contract - Federal	2,929,868	2,929,868	2,929,868		
Older Americans Act Title III - Area Plan Contract - State	1,058,183	1,058,183	1,058,183		
Opioid Litigation Recovery Funds	586,603	586,603	586,603		
Opoid Public Health Crisis Response - Operation Helping Hand	105,263	105,263	105,263		
Paratransit Aging	133,269	133,269	133,269		
Paul Coverdell - Forensic Science Improvement Program	260,665	260,665	260,665		
Personal Assistance Service Program (PASP)	51,930	51,930	51,930		
Prosecutor - Gunshot Detection Technology Initiative	355,500	355,500	355,500		
Public Safety Answering Point (PSAP)	518,268	518,268	518,268		
Rape Prevention & Education (RPE) SOSA-SAARC	8,814	8,814	8,814		
Recovery Mobile Van Program	200,000	200,000	200,000		
Recreational Opportunities for Individuals with Disabilities (ROID)	35,000	35,000	35,000		
Match	7,000	7,000	7,000		
Recycling Enhancement Act Grant	518,400	518,400	518,400		
Respite Care Program	348,566	348,566	348,566		
Right to Know Project	16,401	16,401	16,401		
Senior Citizens Disabled Resident Transportation Program (SCDR)	1,474,806	1,474,806	1,474,806		
Senior Farmers Market Nutrition Program	20,743	20,743	20,743		
Sexual Assault Abuse & Rape Cure (SAARC) - Expansion Direct Services	304,980	304,980	304,980		
Sexual Assault Response Team/Forensic Nurse Examiner Program - SANE	170,035	170,035	170,035		
Match	42,509	42,509	42,509		
SFY 2023 County Reentry Coordinators (CRC) Grant	100,000	100,000	100,000		
SNAP Admin. Funding (ARPA)	367,231	367,231	367,231		
SNAP Application Timeliness (ARPA)	447,586	447,586	447,586		
Social Services for the Homeless (SSH)	999,018	999,018	999,018		
Social Services for the Homeless (TANF)	155,304	155,304	155,304		
Special Traffic Enforcement Program - STEP	63,000	63,000	63,000		
State Health Insurance Assistance Program (SHIP)	35,000	35,000	35,000		
State Homeland Security Program	301,159	301,159	301,159		
State/Community Partnership Program	736,143	736,143	736,143		
STOP Violence Against Women - VAWA-DV Advocate	34,495	34,495	34,495		
Match	11,498	11,498	11,498		
Subregional Support Program	15,000	15,000	15,000		
Subregional Transportation Planning Program	137,822	137,822	137,822		
Match	34,455	34,455	34,455		
SuperNOFA Continuum of Care (CoC) Program	4,793,789	4,793,789	4,793,789		
UCBOE Poll Worker Pay Reimbursement (Primary and General Election) 2023	891,000	891,000	891,000		
UCBOE HAVA Grant - Bilingual Virtual Poll Worker Training	4,624	4,624	4,624		
UCBOE Drop Box Pickups	133,395	133,395	133,395		
UCBOE Early Voting EV Equipment and Warehouse Rental Grant	1,224,950	1,224,950	1,224,950		

COUNTY OF UNION
Statement of Expenditures-Regulatory Basis

	Current Fund								
	Year Ended December 31, 2023								
	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled				
UCBOE Electronic Poll Book Warehouse Lease	919,223	919,223	919,223						
UCBOE HAVA Grant - Call Bell Replacement Project	17,471	17,471	17,471						
UCBOE Hillside Run-Off Election 2023	15,250	15,250	15,250						
UCBOE Rutgers Training Grant: Back to Basics Election Training	4,375	4,375	4,375						
UCBOE Seal Asset Tracking Management System	57,064	57,064	57,064						
UCBOE Springfield Special School Election	26,000	26,000	26,000						
UCBOE Westfield School Board Election	30,000	30,000	30,000						
Union County Improving Library Shared Services	250,000	250,000	250,000						
Union County Mental Health Program-Pediatric Behavior	5,000,000	5,000,000	5,000,000						
Union County Middlesex Reservoir Water Reclamation Project	10,000,000	10,000,000	10,000,000						
Universal Service Fund - CWA Administration	11,784	11,784	11,784						
Urban Area Security Initiative Program (UASI)	1,965,068	1,965,068	1,965,068						
US DOI - DNA Capacity Enhancement & Backlog Reduction Grant	611,349	611,349	611,349						
Veterans Transportation Program	12,000	12,000	12,000						
Victims of Crime Act (VOCA) Victim Assistance Grant (VAG) Program	145,000	145,000	145,000						
Victims of Crime Act - VOCA	446,688	446,688	446,688						
Match	111,672	111,672	111,672						
VSE - One Time Sexual Violence Funding	165,990	165,990	165,990						
Warnanco Park Upgrades	11,000,000	11,000,000	11,000,000						
Match - Nutrition - Title IIIC	156,926	156,926	156,926						
Match - Home Delivered Meals	20,470	20,470	20,470						
Match - Safe Housing Program	49,143	49,143	49,143						
Total Operation	464,362,770	464,362,770	439,290,033	25,072,737					
Contingent	50,000	50,000		50,000					
Total Operation Including Contingent	464,412,770	464,412,770	439,290,033	25,122,737					
Detail:									
Salaries and Wages	163,668,699	162,279,699	149,778,941	12,500,758					
Other Expenses (Including Continent)	300,744,071	302,133,071	289,511,092	12,621,979					
Capital Improvement									
Capital Improvement Fund	3,300,000	3,300,000	3,300,000						
Road Resurfacing	2,750,000	2,750,000	2,750,000						
Total Capital Improvements	6,050,000	6,050,000	6,050,000						
County Debt Service									
Payment of Bond Principal									
County College Bonds	3,475,000	3,475,000	3,475,000						
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	3,275,000	3,275,000	3,275,000						
Vocational School Bonds	4,115,000	4,115,000	4,115,000						
Other Bonds	43,215,000	43,215,000	43,215,000						
Interest on Bonds									
County College Bonds	599,610	599,610	599,609		1				
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	775,034	775,034	775,033		1				
Vocational School Bonds	896,803	896,803	896,802		1				
Other Bonds	9,221,284	9,221,284	9,121,283		100,001				
Interest on Notes	1,586,250	1,586,250	1,566,250		20,000				
Lease to Improvement Authority:									
U.C.I.A.	10,895,372	10,895,372	8,378,679		2,516,693				
U.C.I.A. - State Aid - County College Bonds	813,294	813,294	813,294						
Dam Restoration Loans:									
Principal	189,250	189,250	189,250						
Interest	20,291	20,291	20,291						
Total County Debt Service	79,077,188	79,077,188	76,440,491		2,636,697				

COUNTY OF UNION

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2023

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
Deferred Charges and Statutory Expenditures					
Deferred charges to future taxation Unfunded:					
Ordinance #752 I	1	1	1		
Ordinance #740 O	1	1	1		
Ordinance #765 V	700	700	700		
Ordinance #765 W	1	1	1		
Statutory Charges:					
Contributions to:					
Public Employees' Retirement System	19,869,708	19,869,708	19,732,167	137,541	
Social Security System (O.A.S.I.)	11,000,000	11,000,000	9,183,848	1,816,152	
Police and Firemen's Retirement Fund of NJ	17,047,393	17,047,393	16,747,393	300,000	
Defined Contribution Retirement Program	100,000	100,000	99,939	61	
Total Deferred Charges & Statutory Expenditures	48,017,804	48,017,804	45,764,050	2,253,754	
Total General Appropriations	\$ 597,557,762	597,557,762	567,544,574	27,376,491	2,636,697
Adopted Budget	528,894,564				
Added by N.J.S.A. 40A:4-87	68,663,198				
	\$ 597,557,762				
Cash	\$ 449,675,486				
Reserve for Encumbrances	17,242,255				
Capital Improvement Fund	3,300,000				
Transfer to Motor Vehicle Fund	2,750,000				
Transfer to Unemployment Insurance Trust Fund Reserve	150,000				
Transfer to Disability Insurance Trust Fund Reserve	200,000				
Transfer to Accumulated Absences Trust Fund Reserve	1,250,000				
Grants Appropriated	92,976,833				
	\$ 567,544,574				

See accompanying notes to financial statements.

COUNTY OF UNION
Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2023 and 2022

	<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Other Trust Fund:				
Cash		B-1	\$ 152,541,619	143,874,777
Due from SSA - UCVTS Self-Insurance		B-3	<u>2,276,747</u>	<u>3,109</u>
			<u>154,818,366</u>	<u>143,877,886</u>
Open Space Preservation Trust Fund:				
Cash		B-1	25,213,414	19,293,861
Taxes Receivable		B-4	<u>64,423</u>	<u>43,790</u>
			<u>25,277,837</u>	<u>19,337,651</u>
Housing Trust Fund:				
Cash		B-1	6,399,022	6,274,092
Accounts Receivable		B-2	<u>24,814,964</u>	<u>23,109,244</u>
			<u>31,213,986</u>	<u>29,383,336</u>
Total Assets			<u>\$ 211,310,189</u>	<u>192,598,873</u>

COUNTY OF UNION
Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Other Trust Fund:			
Reserve for Miscellaneous Deposits	B-7	99,077,216	99,296,717
Reserve for Motor Vehicle Fines	B-8	3,505,422	3,877,735
Commitments Payable - Other Trust	B-13	7,302,353	4,903,992
Commitments Payable - Motor Vehicle Trust	B-9	304,612	265,327
Interfunds	B-14	44,628,763	35,534,115
		<u>154,818,366</u>	<u>143,877,886</u>
Open Space Preservation Trust Fund:			
Reserve for County Open Space, Recreation, Farmland and Historic Preservation	B-11	13,682,018	10,051,085
Commitments Payable	B-12	4,249,360	3,133,887
Interfunds	B-14	7,346,459	6,152,679
		<u>25,277,837</u>	<u>19,337,651</u>
Housing Trust Fund:			
Interfunds	B-14	2,708,937	3,333,954
Commitments Payable - Housing Trust	B-10	12,526,033	12,690,575
Reserve for Unappropriated Project Funds	B-5	4,143,321	2,324,331
Reserve for Appropriated Project Funds	B-6	11,835,695	11,034,476
		<u>31,213,986</u>	<u>29,383,336</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 211,310,189</u>	<u>192,598,873</u>

See accompanying notes to financial statements.

COUNTY OF UNION
Comparative Balance Sheet-Regulatory Basis
General Capital Fund
December 31, 2023 and 2022

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Cash	C-2/C-3	\$ 133,042,391	115,340,000
Grants Receivable	C-4	30,803,297	32,637,002
Deferred Charges to Future Taxation:			
Funded	C-5	448,542,360	504,621,610
Unfunded	C-6	<u>209,301,399</u>	<u>167,693,856</u>
Total Assets		<u>\$ 821,689,447</u>	<u>820,292,468</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-7	\$ 347,225,000	397,240,000
New Jersey Dam Restoration Loan Program	C-8	872,361	1,061,611
Capital Leases	C-9	100,445,000	106,320,000
Bond Anticipation Notes	C-10	70,000,000	45,000,000
Improvement Authorizations:			
Funded	C-11	52,303,168	59,372,694
Unfunded	C-11	124,417,573	116,489,170
Commitments Payable	C-12	48,308,644	53,448,080
Capital Improvement Fund	C-13	10,205,848	9,020,035
Reserve for Payment of Bonds	C-14	16,904,017	16,904,017
Reserve for Preliminary Expense - Redevelopment Counsel	C-15	29,695	29,695
Reserve for Preliminary Expense - UCIA	C-16		223,125
Reserve for Preliminary Expense - Parking Deck	C-17	934,966	934,966
Reserve for Arbitrage	C-18	5,717,531	3,920,629
Interfunds	C-20	36,771,029	4,828,088
Fund Balance	C-1	<u>7,554,615</u>	<u>5,500,358</u>
Total Liabilities		<u>\$ 821,689,447</u>	<u>820,292,468</u>

Footnote: There were Bonds and Notes Authorized But Not Issued on December 31, 2023 and 2022 of \$139,364,075 and \$122,829,200, respectively.

See accompanying notes to the financial statements.

COUNTY OF UNION

Statement of Changes in Fund Balance-Regulatory Basis

General Capital Fund

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Balance - January 1,	\$ 5,500,358	1,514,768
Increased by:		
Premium on Bond Sales	201,012	6,827
Premium on Ch. 12 Bond Sale - State of NJ	2,015	
Additional Bond Proceeds	4	
Premium on Note Sales	961,100	833,895
Return of Unused Project Funds		1,807,478
Reserve for Preliminary Expense - UCIA Cancelled	223,125	
Improvement Authorizations Cancelled	<u>868,016</u>	<u>1,337,390</u>
	<u>2,255,272</u>	<u>3,985,590</u>
	7,755,630	5,500,358
Decreased by:		
Premium on Bond/Note Sales	199,000	
Premium on Ch. 12 Bond Sale - State of NJ	<u>2,015</u>	
	<u>201,015</u>	
Balance - December 31,	<u>\$ 7,554,615</u>	<u>5,500,358</u>

See accompanying notes to the financial statements.

COUNTY OF UNION

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>General Fixed Assets:</u>		
Land and Improvements	\$ 593,255,620	586,472,541
Buildings and Improvements	340,584,923	333,566,121
Machinery and Equipment	39,534,295	37,892,272
Vehicles	<u>39,784,380</u>	<u>38,799,955</u>
	<u>\$ 1,013,159,218</u>	<u>996,730,889</u>
 Investment in Fixed Assets	 <u>\$ 1,013,159,218</u>	 <u>996,730,889</u>

See accompanying notes to financial statements.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the County of Union have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the County accounts for its financial transactions through the following separate funds and account group which differ from the fund structure required by GAAP.

A. Reporting Entity

The County of Union (the "County") was organized under an act of the New Jersey Legislative on March 19, 1857 and operates under an elected Freeholder form of County government. On August 21, 2020, Senate Bill 855 changed the title from Freeholder to Commissioner. The County's major operations include the County judiciary system; law enforcement, recreation, road and bridge maintenance and construction, the County correctional and penal system, health and welfare, education and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will be by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the counties in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the County does not include the operations of the autonomous agencies including the Union County Utilities Authority, Union County Community College, and the Vocational-Technical High School which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The County uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain County functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those funds.

The County has the following funds and account group:

Current Fund - This fund is used to account for the resources and expenditures for governmental operations of a general nature, including Federal and State grants for operations.

Trust Funds - Trust funds are used to account for assets held by the government in a trustee capacity. Funds held by the County as an agent for individual, private organizations or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the County as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits and deposited funds with the County as collateral.

Open Space Reservation Trust Fund - This fund is used to account for dedicated funds received to acquire land, improve recreation facilities, preserve farmland/historic areas and to assist municipalities in the acquisition and improvement of outdoor recreation facilities.

Housing and Urban Development Trust Fund - This fund is used to account for grant proceeds and related expenditures for Housing and Urban Development Grant Entitlements.

General Capital Fund - This fund is used to account for the receipts and disbursements of funds used for the acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group - To account for all fixed assets of the County. The County's infrastructure is not reported in the group.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting

A modified accrual basis of accounting is followed by the County of Union. Under this method of accounting revenues are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for counties by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units.

Property Tax Revenues - Real property taxes are assessed to each municipality within the County, based upon a County wide assessment at true equalized value. Taxes are payable in four quarterly installments on February 15, May 15, August 15 and November 15. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the municipality for the preceding year. The installment due the third and fourth quarters is determined by taking the full tax as levied for the current year against the municipality, less the amount previously charged as the first and second installments, the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 6% per annum. In accordance with the accounting principles prescribed by the State of New Jersey, taxes receivable are realized as revenue when collected. Since delinquent taxes are fully reserved, no provision has been made to estimate that portion of the taxes receivable that are uncollectible. GAAP requires property tax revenues to be recognized in the account period when they become subsequent to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the County's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the County's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the County and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

The County is not required to adopt budgets for the following funds:

Trust Funds
General Capital Fund

The governing body shall introduce and approve the annual budget not later than March 31, of the fiscal year. The budget shall be adopted not later than April 28, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the County budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the County. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Government Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the years ended December 31, 2023 and 2022, the Governing Body approved additional revenues and appropriations of \$68,663,198 and \$143,655,275, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2023 and 2022.

Expenditures - Are recorded on the “budgetary” basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as revenue in the year of sale.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves does not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Self-Insurance Contributions - Payments to self-insurance funds are charged to current budget appropriations. GAAP requires payments to be accounted for as an operating transfer and not as an expenditure.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1 to bonds or obligations of, or guaranteed by, the Federal Government and bonds or other obligations of Federal or local units having a maturity date not more than twelve months from the date of purchase.

Incurred But Not Reported (IBNR) Reserves - The County has not created a reserve for any potential unreported losses which have taken place but in which the County has not received notices or report of losses. Additionally, the County has not recorded a liability for those claims filed, but which have not been paid. GAAP requires the establishment of reserves for such potential claims.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the County establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the County may levy taxes on all taxable property within the local unit to repay the debt. Annually, the County raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The provisions the New Jersey Administrative Code (N.J.A.C. 5:30-5.6) codify and continue the provisions of Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the County as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and as acquisition cost of \$5,000 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Group rather than in a governmental fund. No depreciation has been provided on general fixed assets or reported in the financial statements.

Use of Estimates - The preparation of financial statements requires management of the County 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. Accordingly, actual results could differ from those estimates.

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

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Impact of Recently Issued Accounting Principles

The following GASB statements became effective for the fiscal year ended December 31, 2023:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Statement will become effective for the County's year ending December 31, 2023. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the County.

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Borough in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the County, however, management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the County.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Impact of Recently Issued Accounting Principles, (continued)

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. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the County, however, management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the County.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The County presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

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COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

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 County's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2023 and 2022, \$-0- of the County's bank balance of \$719,714,585 and \$716,851,413, respectively, were exposed to custodial credit risk.

Investments

Investment Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The County places no limit on the amount the County may invest in any one issuer.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 3. COUNTY DEBT

Long-term debt as of December 31, 2023 and 2022 consisted of the following:

<u>2023</u>	<u>Balance Dec. 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2023</u>	<u>Amounts Due Within One Year</u>
Bonds Payable - General					
Obligation Debt	\$397,240,000	\$4,065,000	\$54,080,000	\$347,225,000	\$50,960,000
Capital Leases Payable	106,320,000		5,875,000	100,445,000	5,660,000
Other Liabilities:					
Compensated Absences	6,687,994	2,430,713	2,591,668	6,527,039	
New Jersey:					
Dam Restoration					
Loan Program	<u>1,061,611</u>	<u> </u>	<u>189,250</u>	<u>872,361</u>	<u>193,054</u>
	<u>\$511,309,605</u>	<u>\$6,495,713</u>	<u>\$62,735,918</u>	<u>\$455,069,400</u>	<u>\$56,813,054</u>
<u>2022</u>	<u>Balance Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2022</u>	<u>Amounts Due Within One Year</u>
Bonds Payable - General					
Obligation Debt	\$378,043,000	\$67,705,000	\$48,508,000	\$397,240,000	\$54,080,000
Capital Leases Payable	107,325,000	5,055,000	6,060,000	106,320,000	5,875,000
Other Liabilities:					
Compensated Absences	5,075,077	5,983,962	4,371,045	6,687,994	
New Jersey:					
Dam Restoration					
Loan Program	<u>1,247,132</u>	<u> </u>	<u>185,521</u>	<u>1,061,611</u>	<u>189,250</u>
	<u>\$491,690,209</u>	<u>\$78,743,962</u>	<u>\$59,124,566</u>	<u>\$511,309,605</u>	<u>\$60,144,250</u>

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the County are general obligation bonds, backed by the full faith and credit of the County. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 3. COUNTY DEBT, (continued)

The County's debt is summarized as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Issued			
General			
Bonds, Notes and Loans	\$418,097,361	\$443,301,611	\$459,290,132
Bonds Authorized by Another Public Body			
Guaranteed by the County	<u>74,724,582</u>	<u>77,344,582</u>	<u>79,454,582</u>
Total Issued	<u>492,821,943</u>	<u>520,646,193</u>	<u>538,744,714</u>
Authorized But Not Issued			
General			
Bonds, Notes and Loans	<u>139,364,075</u>	<u>122,829,200</u>	<u>106,920,756</u>
Total Issued and Authorized But Not Issued	<u>632,186,018</u>	<u>643,475,393</u>	<u>645,665,470</u>
Less: Funds Temporarily Held to Pay Bonds and Notes	16,966,694	17,053,052	16,987,879
Bonds issued and bonds authorized but not issued - Capital projects for County Colleges	13,677,500	13,282,500	9,299,000
Bonds Authorized by Another Public Body			
Guaranteed by the County	<u>74,724,582</u>	<u>77,344,582</u>	<u>79,454,582</u>
Total Deductions	<u>105,368,776</u>	<u>107,680,134</u>	<u>105,741,461</u>
Net Debt	<u>\$526,817,242</u>	<u>\$535,795,259</u>	<u>\$539,924,009</u>

The summarized statement of debt condition which follows is extracted from the County's Annual Debt Statement, indicates a statutory net debt of .577% and .640% at December 31, 2023 and 2022, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2023</u>			
General debt	<u>\$632,186,018</u>	<u>\$105,368,776</u>	<u>\$526,817,242</u>
<u>2022</u>			
General debt	<u>\$643,475,393</u>	<u>\$107,680,134</u>	<u>\$535,795,259</u>

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 3. COUNTY DEBT, (continued)

The County's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
2% of equalized valuation basis (county)	\$1,824,983,972	\$1,673,807,925
Net debt	<u>526,817,242</u>	<u>535,794,559</u>
Remaining Borrowing Power	<u><u>\$1,298,166,730</u></u>	<u><u>\$1,138,013,366</u></u>

The County's long-term debt consisted of the following at December 31, 2023 and 2022:

Paid by Current Fund:

General Obligation Bonds

	<u>2023</u>	<u>2022</u>
\$62,165,000, 2012 General Improvement Bonds, due in annual installments of \$3,450,000 to \$6,900,000 through March 1, 2024, interest rates at 3.00%	\$6,750,000	\$13,500,000
\$23,190,000, 2012 County Vocational-Technical School Bonds, due in annual installments of \$820,000 to \$1,640,000 through March 1, 2032, interest at various rates from 3.00% to 3.50%	14,020,000	14,920,000
\$10,355,000, 2012 Redevelopment Bonds, due in annual installments of \$370,000 to \$740,000 through March 1, 2032, interest at various rates from 3.00% to 3.50%	6,285,000	6,655,000
\$33,620,000, 2013 General Improvement Refunding Bonds, due in annual installments of \$3,690,000 to \$3,855,000 through March 1, 2023, interest at various rates from 2.00% to 5.00%		3,745,000
\$4,965,000, 2013 County Vocational-Technical School Refunding Bonds, due in annual installments of \$425,000 to \$580,000 through March 1, 2023, interest at various rates from 2.00% to 5.00%		425,000
\$53,850,000, 2014 General Improvement Bonds, due in annual installments of \$2,200,000 to \$4,400,000 through March 1, 2030, interest at various rates from 2.00% to 3.25%	30,800,000	35,200,000

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

	<u>2023</u>	<u>2022</u>
NOTE 3. COUNTY DEBT, (continued)		
\$2,460,000, 2014 County Vocational-Technical School Bonds, due in annual installments of \$205,000 through March 1, 2026, interest at various rates from 2.00% to 3.00%	\$615,000	\$820,000
\$5,750,000, 2014 County College Bonds, Series A, Ch. 12 State Aid, due in annual installments of \$380,000 to \$385,000 through March 1, 2029, interest at various rates from 2.00% to 3.125%	2,310,000	2,695,000
\$720,000, 2014 Redevelopment Bonds, due in annual installments of \$45,000 through March 1, 2030, interest at various rates from 2.00% to 3.25%	315,000	360,000
\$64,850,000, 2015 General Improvement Refunding Bonds, due in annual installments of \$5,860,000 to \$7,040,000 through February 15, 2028, interest at various rates from 2.00% to 5.00%	34,330,000	41,370,000
\$62,810,000, 2016 General Improvement Bonds, due in annual installments of \$2,750,000 to \$5,500,000 through March 1, 2030, interest at 2.00%	37,260,000	41,810,000
\$2,075,000, 2016 County Vocational-Technical School Bonds, due in annual installments of \$200,000 to \$275,000 through March 1, 2026, interest at 2.00%	675,000	875,000
\$3,000,000, 2016 County College Bonds, Series A, Ch. 12 State Aid, due in annual installments of \$300,000 through March 1, 2026, interest at 2.00%	900,000	1,200,000
\$9,615,000, 2016 County College Bonds, Series B, due in annual installments of \$615,000 to \$1,000,000 through March 1, 2026, interest at 2.00%	2,615,000	3,615,000
\$37,460,000, 2017 General Improvement Refunding Bonds, due in annual installments of \$400,000 to \$3,785,000 through March 1, 2031, interest at various rates from 0.00% to 4.00%	29,530,000	33,275,000

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

	<u>2023</u>	<u>2022</u>
NOTE 3. <u>COUNTY DEBT, (continued)</u>		
\$3,240,000, 2017 County Vocational-Technical School Refunding Bonds, due in annual installments of \$35,000 to \$1,080,000 through March 1, 2024, interest at various rates from 0.00% to 4.00%	\$1,060,000	\$2,125,000
\$1,735,000, 2017 Redevelopment Bonds, due in annual installments of \$15,000 to \$175,000 through March 1, 2031, interest at various rates from 0.00% to 4.00%	1,370,000	1,545,000
\$3,300,000, 2017 County College Bonds, Series A, Ch. 12 State Aid, due in annual installments of \$330,000 through December 1, 2027, interest at various rates from 2.00% to 2.50%	1,320,000	1,650,000
\$65,850,000, 2018 General Improvement Bonds, due in annual installments of \$3,350,000 to \$6,500,000 through March 1, 2030, interest at 3.00%	44,000,000	49,250,000
\$12,000,000, 2018 County Vocational-Technical Refunding School Bonds, due in annual installments of \$1,000,000 through March 1, 2030, interest at 3.00%	7,000,000	8,000,000
\$3,600,000, 2018 County College Bonds, Series A, Ch. 12 State Aid, due in annual installments of \$360,000 through March 1, 2028, interest at 3.00%	1,800,000	2,160,000
\$11,750,000, 2018 County College Bonds, Series B, due in annual installments of \$1,305,000 to \$1,310,000 through March 1, 2027, interest at 3.00%	5,225,000	6,530,000
\$7,100,000, 2019 County College Bonds, Ch. 12 State Aid, due in annual installments of \$710,000 through March 1, 2029, interest at 2.00%	4,260,000	4,970,000
\$53,960,000, 2020 General Improvement Bonds, due in annual installments of \$4,340,000 to \$5,505,000 through March 1, 2031, interest at various rates from 0.50% to 2.00%	40,595,000	45,160,000

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

	<u>2023</u>	<u>2022</u>
NOTE 3. COUNTY DEBT, (continued)		
\$1,840,000, 2020 County Vocational-Technical School Bonds, due in annual installments of \$165,000 to \$170,000 through March 1, 2031, interest at various rates from 0.50% to 2.00%	\$1,345,000	\$1,510,000
\$3,900,000, 2020 County College Bonds, due in annual installments of \$485,000 to \$490,000 through March 1, 2028, interest at various rates from 0.50% to 2.00%	2,445,000	2,930,000
\$3,600,000, 2021 County College Bonds, Ch. 12 State Aid, due in annual installments of \$360,000 through March 1, 2031, interest at various rates from 1.00% to 2.00%	2,880,000	3,240,000
\$47,680,000, 2022 General Improvement Bonds, due in annual installments of \$2,580,000 to \$5,150,000 through March 1, 2034, interest at various rates from 3.00% to 4.00%	45,100,000	47,680,000
\$1,790,000, 2022 County Vocational-Technical School Bonds, due in annual installments of \$155,000 to \$205,000 through March 1, 2032, interest at various rates from 3.00% to 4.00%	1,635,000	1,790,000
\$10,650,000, 2022 County College Bonds, County College Bonds, Series A, Ch. 12 State Aid, due in annual installments of \$830,000 to \$980,000 through March 1, 2034, interest at various rates from 3.00% to 4.00%	9,820,000	10,650,000
\$7,585,000, 2022 County College Bonds, County College Bonds, Series B, due in annual installments of \$685,000 to \$800,000 through March 1, 2032, interest at various rates from 3.00% to 4.00%	6,900,000	7,585,000

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

	<u>2023</u>	<u>2022</u>
NOTE 3. COUNTY DEBT, (continued)		
\$4,065,000, 2023 County College Bonds, Ch. 12 State Aid, due in annual installments of \$325,000 to \$500,000 through March 1, 2033, interest at various rates from 3.00% to 4.00%	<u>4,065,000</u>	<u> </u>
	<u>\$347,225,000</u>	<u>\$397,240,000</u>

Intergovernmental Loans Payable

The County has entered into a loan agreement with New Jersey Department of Environmental Protection for the financing relating to the Dam Restoration Program.

	<u>2023</u>	<u>2022</u>
\$800,000 2007 Loan, due in semi-annual installments of \$17,974 to \$51,180 through July 1, 2026, interest at 2.00%	\$150,534	\$198,748
\$1,693,890 2009 Loan, due in semi-annual installments of \$35,727 to \$102,745 through January 14, 2029, interest at 2.00%	546,019	639,033
\$750,000 2009 Loan, due in semi-annual installments of \$18,630 to \$50,977 through February 9, 2027, interest at 2.00%	<u>175,808</u>	<u>223,830</u>
	<u>\$872,361</u>	<u>\$1,061,611</u>

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 3. COUNTY DEBT, (continued)

The County's principal and interest for long-term debt issued and outstanding at December 31, 2023 is as follows:

Calendar Year	Bonds		Loans		Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$50,960,000	\$9,514,984	\$193,054	\$16,487	\$60,684,525
2025	46,090,000	8,181,438	196,933	12,606	54,480,977
2026	46,685,000	6,937,903	200,893	8,648	53,832,444
2027	45,380,000	5,599,725	126,592	4,870	51,111,187
2028	43,900,000	4,250,112	102,745	2,587	48,255,444
2029-2033	108,080,000	7,000,944	52,144	521	115,133,609
2034	<u>6,130,000</u>	<u>95,781</u>	<u> </u>	<u> </u>	<u>6,225,781</u>
	<u>\$347,225,000</u>	<u>\$41,580,887</u>	<u>\$872,361</u>	<u>\$45,719</u>	<u>\$389,723,967</u>

NOTE 4. BOND ANTICIPATION NOTES

The County issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2023 and 2022, the County had \$70,000,000 and \$45,000,000, respectively, in outstanding General Capital bond anticipation notes.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 4. BOND ANTICIPATION NOTES, (continued)

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2023 and 2022:

<u>2023</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
BofA Securities, Inc.	\$45,000,000	\$	\$45,000,000	\$0
JP Morgan		70,000,000		70,000,000
	<u>\$45,000,000</u>	<u>\$70,000,000</u>	<u>\$45,000,000</u>	<u>\$70,000,000</u>
 <u>2022</u>	 <u>Beginning Balance</u>	 <u>Additions</u>	 <u>Reductions</u>	 <u>Ending Balance</u>
RBC Capital Markets	\$80,000,000	\$	\$80,000,000	\$0
BofA Securities, Inc.		45,000,000		45,000,000
	<u>\$80,000,000</u>	<u>\$45,000,000</u>	<u>\$80,000,000</u>	<u>\$45,000,000</u>

NOTE 5. CAPITAL LEASES PAYABLE

The County of Union and the Union County Improvement Authority entered into agreements which:

- A. Leases a parcel of land owned by the County to the Authority upon which the Authority constructed a Correctional Facility Project. The Authority is to pay the sum \$1 per year to the County under the terms of the lease.
- B. Leases the Authority's Correctional Facility Project to the County. The lease requires the County to pay the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. The Union County Improvement Authority issued Revenue Refunding Bonds in order to refund a portion of the project bonds and to restructure the County's basic annual rent. As additional rent, the County will pay the annual administrative fee and actual legal and accounting expenses incurred by the Authority.
- C. Leases certain items of equipment and projects to the County. The leases require the County to pay to the Authority a "basic" Annual rent equal to the debt service on the equipment and project Lease Revenue Bonds outstanding. As additional rent, the County will pay the administrative fees incurred by the Authority.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 5. CAPITAL LEASES PAYABLE, (continued)

Annual debt service requirements for these capital leases are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$5,660,000	\$3,653,421	\$9,313,421
2025	7,555,000	3,387,891	10,942,891
2026	7,750,000	3,098,516	10,848,516
2027	6,215,000	2,812,369	9,027,369
2028	6,435,000	2,576,252	9,011,252
2029-2033	34,465,000	8,927,946	43,392,946
2034-2038	19,030,000	3,234,263	22,264,263
2039-2042	13,335,000	851,759	14,186,759
	<u>\$100,445,000</u>	<u>\$28,542,417</u>	<u>\$128,987,417</u>

NOTE 6. DEFICIENCY AND GUARANTEE AGREEMENTS

The County has an agreement with the Union County Improvement Authority in which the County agreed to guarantee the punctual payment of the principal and interest on the following Long-Term Bonds issued by the Authority.

	<u>2023</u>	<u>2022</u>
\$2,900,000, Guaranteed Revenue Bonds: Linden Theater Redevelopment Project Series 2004 due in annual installments of \$95,000 to \$220,000 through March 1, 2025, interest at various rates from 0.00% to 5.12%	\$430,000	\$630,000
\$2,575,000, Guaranteed Lease Revenue Bonds: Union County Child Advocacy Center Project Series 2010 due in annual installments of \$130,000 to \$215,000 through September 1, 2025, interest at various rates from 1.50% to 4.00%	420,000	620,000
\$2,179,582, Guaranteed Lease Revenue Bonds: Union County Oakland Plaza-Elizabeth Project Series 2015 (Federally Taxable) due in one installment of \$2,179,582 through December 1, 2047, interest at various rates from 0.00% to 0.963%	2,179,582	2,179,582

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 6. DEFICIENCY AND GUARANTEE
AGREEMENTS, (continued)

\$7,860,000, Guaranteed Lease Revenue Bonds: Union County Family Court Building Project Series 2017 due in annual installments of \$200,000 to \$470,000 through May 1, 2042, interest at various rates from 2.125% to 4.00%	6,565,000	6,800,000
\$19,620,000, Guaranteed Lease Revenue Bonds: Union County Oakwood Plaza-Elizabeth Project Series 2019 (Federally Taxable) due in annual installments of \$95,000 to \$ 1,555,000 through December 1, 2040, interest at various rates from 3.216% to 5.75%	17,555,000	18,180,000
\$46,205,000, Guaranteed Lease Revenue Refunding Bonds: Union County Family Court Building Project Series 2021 (Federally Taxable) due in annual installments of \$360,000 to \$3,020,000 through May 1, 2042, interest at various rates from 0.163% to 3.152%	44,560,000	44,920,000
\$5,055,000, Guaranteed Revenue Bonds: Renewable Energy Project Series 2021 due in annual installments of \$1,005,000 to \$1,040,000 through October 5, 2026, interest at 5.00%	<u>3,015,000</u>	<u>4,015,000</u>
	<u>\$74,724,582</u>	<u>\$77,344,582</u>

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COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 7. FIXED ASSETS

The following is a summary of the General Fixed Assets Account Group as of December 31, 2023 and 2022.

	<u>2023</u>	Balance <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>Dec. 31, 2022</u>
Land		\$586,472,541	\$6,783,079	\$	\$593,255,620
Buildings and Improvements		333,566,121	7,018,802		340,584,923
Machinery and Equipment		37,892,272	2,701,127	1,059,104	39,534,295
Vehicles		<u>38,799,955</u>	<u>1,176,425</u>	<u>192,000</u>	<u>39,784,380</u>
		<u>\$996,730,889</u>	<u>\$17,679,433</u>	<u>\$1,251,104</u>	<u>\$1,013,159,218</u>

	<u>2022</u>	Balance <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>Dec. 31, 2022</u>
Land		\$576,284,312	\$10,188,229	\$	\$586,472,541
Buildings and Improvements		330,344,775	3,221,346		333,566,121
Machinery and Equipment		35,142,657	3,172,763	423,148	37,892,272
Vehicles		<u>38,171,930</u>	<u>1,267,743</u>	<u>639,718</u>	<u>38,799,955</u>
		<u>\$979,943,674</u>	<u>\$17,850,081</u>	<u>\$1,062,866</u>	<u>\$996,730,889</u>

NOTE 8. INTERFUND BALANCES AND ACTIVITY

Balance due to/from other funds at December 31, 2023 consist of the following:

\$55,804,495	Due to the Current Fund from the Federal and State Grant Fund for expenditures not reimbursed by the Federal and State Grant Fund.
36,771,029	Due to the Current Fund from the Capital Fund for excess funds.
21,415,316	Due to the Current Fund from the Other Trust Fund for expenditures not reimbursed.
23,213,447	Due to the Current Fund from the Motor Vehicle Trust Fund for expenditures not reimbursed.
7,346,459	Due to the Current Fund from the Open Space Preservation for expenditures not reimbursed.
<u>2,708,937</u>	Due to the Current Fund from the Housing Trust Fund for expenditures not reimbursed.
<u>\$147,259,683</u>	

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 9. FUND BALANCES APPROPRIATED

Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective funds for the succeeding years were as follows:

	<u>2024</u>	<u>2023</u>
Current Fund	<u>\$38,750,000</u>	<u>\$37,750,000</u>

NOTE 10. ACCUMULATED VACATION AND SICK PAY (UNAUDITED)

Under the existing policies of the county, certain employees are allowed to accumulate (with certain restrictions) unused vacation and sick pay over the life of their working careers and to redeem such unused leave time in cash upon retirement or by extended absence immediately preceding retirement.

The maximum sick leave benefits an employee is entitled to at retirement is \$18,000 depending on the employee's number of unused sick days within their existing contract.

It is estimated that the current cost of such unpaid compensation, which was not audited by us would approximate \$6,527,039 and \$6,687,994 at December 31, 2023 and 2022, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability. The County has accumulated reserves to offset annual costs of \$685,080 and \$322,323 at December 31, 2023 and 2022, respectively.

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COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM

Description of Plans:

County employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The County's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2023	\$19,719,708	\$16,747,393	\$99,939
2022	18,932,913	17,807,071	89,190
2021	17,669,400	16,704,791	87,845

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At December 31, 2023, the County had a liability of \$129,082,391 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the County's proportion was 0.891183769 percent, which was an increase/(decrease) of (0.0901112954) percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the County recognized pension expense of \$19,719,708. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$1,234,194	\$527,647
Changes of assumptions	283,568	7,822,946
Net difference between projected and actual earnings on pension plan investments	594,441	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	<u>1,467,903</u>	<u>15,245,112</u>
Total	<u>\$3,580,106</u>	<u>\$23,595,705</u>

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2024	(\$6,815,067)
2025	(3,803,909)
2026	5,315,709
2027	(951,302)
2028	16,179

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21 and 5.63 years for 2023, 2022, 2021, 2020, 2019 and 2018, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,080,204,730	\$1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,606,489,066	15,091,376,611
County's Proportion	0.8911837690%	0.9812950644%

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2021.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.22%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Discount Rate

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2023		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
County's proportionate share of the pension liability	\$168,366,234	\$129,082,391	\$95,646,646

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2023, the County had a liability of \$118,501,452 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the County's proportion was 1.07252947 percent, which was an increase/(decrease) of (0.13398107) percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the County recognized pension expense of \$16,747,393. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$5,073,995	\$5,651,467
Changes of assumptions	255,768	8,001,687
Net difference between projected and actual earnings on pension plan investments	6,035,055	-
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>7,676,440</u>	<u>41,182,271</u>
Total	<u>\$19,041,258</u>	<u>\$54,835,425</u>

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	(\$4,611,662)
2024	(4,425,706)
2025	7,120,512
2026	(612,420)
2027	218,588
Thereafter	22,352

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.16, 6.22, 6.17, 5.90, 5.92 and 5.73 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,753,080,638	\$2,163,793,985
Collective deferred inflows of resources	1,966,439,601	2,805,919,493
Collective net pension liability	13,084,649,602	11,446,356,176
County's Proportion	1.0725294700%	1.2065105400%

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-16.25% (based on years of service)
Thereafter	Not Applicable
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Discount Rate

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
County's proportionate share of the pension liability	\$173,699,379	\$118,501,452	\$72,534,767

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the County is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the County by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the County's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2023 and 2022, the State proportionate share of the net pension liability attributable to the County for the PFRS special funding situation is \$21,835,272 and \$24,578,017, respectively. For the years ended December 31, 2023 and 2022, the pension system has determined the State's proportionate share of the pension expense attributable to the County for the PFRS special funding situation is \$2,483,717 and \$2,835,653, respectively, which is more than the actual contributions the State made on behalf of the County of \$2,497,114 and \$3,059,843, respectively. The State's proportionate share attributable to the County was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the County's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 12. SELF-INSURANCE DISABILITY

The County has established a disability plan for its employees. The County funds the entire cost of the plan. Claims are paid directly by the plan. The County also budgets funds in each year's budget to meet current claims. The County has created a loss reserve for claims incurred and claims not reported which were unpaid at December 31, 2023 and 2022. These reserve amounts are \$8,104,605 for 2023 and \$11,532,813 for 2022. Exhibit B-7 summarizes the 2023 transactions of the plan.

NOTE 13. SELF-INSURANCE RETIREE HEALTH BENEFITS PLAN

The County has established a Retiree Health Benefits plan for its employees. The County funds the vast majority cost of the plan. Claims are paid directly by the plan up to a maximum of \$375,000 per employee per year, with any excess benefit being reimbursed through a Re-Insurance Agreement with Horizon Blue Cross Blue Shield of New Jersey for an unlimited amount per employee per year. The County has created a loss reserve for claims incurred and claims not reported which were unpaid at December 31, 2023 and 2022. These reserve amounts are \$67,459,600 for 2023 and \$64,959,600 for 2022.

NOTE 14. CLAIMS AND JUDGEMENTS

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2023 and 2022, significant amounts of grant expenditure have not been audited by the various grantor agencies but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

NOTE 15. DEFERRED COMPENSATION PLAN

The County offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Sections 403 (b) and 457. The plans, available to all County employees, permit them to defer a portion of their salaries until future years. The County does not make any contribution to the plans. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the County's plan was amended to require that all amounts of compensation deferred under the Plan are held for

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 15. DEFERRED COMPENSATION PLAN, (continued)

the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the plans are held by an independent administrator, Empower Retirement, LLC.

The accompanying financial statements do not include the County's Deferred Compensation Plan activities. The County's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 16. RELATED PARTY TRANSACTIONS

During 2023, the County of Union provided operating or capital funding to the following Union County Governmental Units:

Union County College
Union County Vocational and Technical Schools
Union County Improvement Authority

All debt obligations of these units must be authorized by the Union County Board of County Commissioners and are liabilities of the County, not the governmental units.

NOTE 17. LITIGATION

General Litigation

The County is involved in a number of legal proceedings, the resolution of which, in the opinion of County Counsel, could result in the aggregate \$3,111,779 in damages against the County. These potential liabilities under New Jersey reporting requirements will be reflected in the financial statements when paid. In addition, there are other pending lawsuits in which the County is involved. Many of these lawsuits are presently in the preliminary or discovery stages, with the probability of a successful defense unknown at this time and the amounts of eventual settlements cannot be accurately determined.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 18. ARBITRAGE REBATE

The County sometimes temporarily reinvests the proceeds of its tax-exempt debt in higher yielding taxable investments which is referred to as arbitrage by the federal tax code. In certain situations, the County is permitted to keep the extra earnings that result from arbitrage. Otherwise, any excess earnings resulting from arbitrage must be rebated to the federal government. Federal law requires that arbitrage be calculated and rebated at the end of each five-year period that tax-exempt debt is outstanding.

NOTE 19. RISK MANAGEMENT

The County established an insurance program in accordance with New Jersey Statute Chapter 40A:10. The County is currently self-insured for general liability, workers' compensation and drug prescription exposure. The County is covered through insurance policies and through membership in the New Jersey Counties Excess Joint Insurance Fund as follows:

Public Officials Liability and Employment Practices Liability Crime

Excess:

- Automobile Liability
- Commercial General Liability
- Employers Liability
- Law Enforcement Liability
- Workers' Compensation and Employers' Liability
- Workers' Compensation Buffer Layer (difference between SIR and \$1,000,000.00)
- Excess Workers' Compensation
- Property
- Employed Lawyers

The above list of policies is intended to provide a brief summary and various limits are applicable to each of the policies and the members of the Joint Insurance Fund share the limits

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 19. RISK MANAGEMENT, (continued)

Additionally the County maintains insurance policies as follows:

- Accident and Health Insurance for Watchung Stables
- Horse Accidental Death Police
- Group Accident Volunteers
- Public Official Accidental Travel Insurance
- Fire Boat Insurance
- Equipment Insurance (Electronic Specialty) Specialty
- Ambulance Emergency Transport (Terrorism Coverage)
- Ambulance Insurance
- Staff Doctors Medical Professional Liability
- Hospital General Liability and Professional Insurance
- Medical Director Liability Insurance
- Excess Hospital General Liability and Professional Insurance
- Third Party Administrators for General Liability
- Third Party Administrators for Workers' Compensation and Automobile
- Cyber Security Policy

The County has retained two agencies as its insurance consultants.

The County appropriates annually as required to provide for claims in the year payment is made.

NOTE 20. POST RETIREMENT BENEFITS

Basis of Valuation

This valuation has been conducted as of December 31, 2022 based on census, plan design and premium information provided by the County. Census (as of December 31, 2021) includes 2,272 retired participants (including spouses) and 1,873 active participants.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 20. POST RETIREMENT BENEFITS, (continued)

Actuarial Methods and Assumptions

1. Data used in the Valuation

Is based on a file, provided by Union County of all active employees as well as all retirees who were participants in the Plan as of December 31, 2021. The plan provisions were obtained from documents provided by Union County.

The Measurement Date and the valuation date for each fiscal year is as of the end of the year.

2. Method of Valuation

The values are determined in accordance with GASB 75 including the Individual Entry Age Normal Cost method with the normal cost determined as a percentage of pay. Standard roll forward and backward techniques were used to adjust valuation dates to measurement dates.

For retirees eligible for subsidies it was assumed that the actual cost to the County would be the cost of the plan less the subsidy for those who were Medicare eligible. For those retirees not Medicare eligible (under age 65) the cost to the County was the cost of the pre 65 plan less the subsidy.

3. Economic Assumptions

a. Discount Rate

Based on Muni 20 year Aa as published by Fidelity Investments

4.05% at December 31, 2022

1.85% at December 31, 2021

b. Investment Rate of Return

Since the County invests only in fixed income investments, the investment return is assumed to equal the Muni 20 year Aa bond rate. This is also the discount rate.

c. Inflation Rate

2.50%

d. Salary Increases

3.00%

e. Health Care Cost Trend

5.50% for 2022 and then 7.00% for 2023 grading down to 3.5% (by 0.25% increments) in 2037.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 20. POST RETIREMENT BENEFITS, (continued)

Actuarial Methods and Assumptions

4. Claims Assumption

a. Per Capita Claims Cost

The annual per capita cost for 2022 for the retiree and spouse at age 64 was \$21,532 and at age 65 was \$5,462

b. Premium Rates

Premium Rates used to determine the retiree contribution (net of the Subsidy) are shown below

	Under 65	Over 65	Under/Over
Single	\$739.61	\$539.73	
Couple	\$2,107.79	\$1,079.71	\$1,215.74
Family	\$2,107.79	\$1,726.96	\$1,763.27
Parent/ Child	\$2,107.79	\$1,320.68	

c. Age Based Utilization

Per capita costs (non Medicare eligible) are adjusted to reflect expected cost changers related to age. Age factors are shown below.

Projection of Claim Costs by Age

<u>Age</u>	<u>Pre Medicare Eligibility Factors</u>	<u>Medicare Eligible Factors</u>
<30	0.60	
30-34	0.75	
35-39	0.95	
40-44	1.10	
45-49	1.30	
50-54	1.50	
55-59	1.75	
60-64	2.15	
65-70	2.55	0.85
71-74	3.00	1.00
75+	3.00	1.15

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 20. POST RETIREMENT BENEFITS, (continued)

Actuarial Methods and Assumptions

d. Administrative Expenses

The per capita costs above include an allowance of 6.5% for administration.

e. Medicare Part D subsidy

The County is eligible for and does apply for the Medicare Part D subsidy. However, in accordance with GASB guidance, the subsidy is not taken into account for purposes of determining the post retirement benefit obligation.

5. Demographic Assumptions

a. Rates of Mortality

PUB 2010 projected with scale MP 2021

b. Rates of Turnover

Ultimate termination rates vary by age as follows:
 (Note that all active participants have at least 10 years of service)

Ultimate termination rates vary by age

<u>Age</u>	<u>Ultimate</u>
30	6.1%
35	4.0%
40	2.9%
45	2.7%
50	2.0%
55	1.6%
60	1.5%

c. Rates of Retirement

Retirements are assumed to occur in accordance with the following rates:

<u>Sample Ages</u>	<u>Rate</u>
55	11.7%
60	7.8%
65	16.5%
69	11.5%

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 20. POST RETIREMENT BENEFITS, (continued)

Actuarial Methods and Assumptions

d. Rates of Disability

None assumed.

e. Spouse Assumption

Spouse dates of birth were provided for all retired employees. For actives, 50% are assumed to be married with males assumed to be 3 years older than females. Marital status is assumed not to change prior to or after retirement.

f. Retiree Participation

100% of eligible "Free for Life" retirees are assumed to elect to participate in the plan while 75% of retirees eligible for a subsidy are assumed to elect coverage.

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COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 20. POST RETIREMENT BENEFITS, (continued)

<u>Change in Net OPEB Liability</u>	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as Beginning of year	<u>\$721,292,807</u>	<u>\$64,209,600</u>	<u>\$657,083,207</u>
Changes for the year:			
Service Cost	9,660,782		9,660,782
Interest Cost	13,118,071		13,118,071
Change of Benefit terms (plan change)	0		0
Difference between Actual and Expected Experience (gains)/losses	0		0
Assumption changes	(81,615,261)		(81,615,261)
Contributions - employer		24,415,818	(24,415,818)
Net Investment Income		750,000	(750,000)
Benefits Paid	(24,415,818)	(24,415,818)	0
Net Changes	<u>(83,252,227)</u>	<u>750,000</u>	<u>(84,002,227)</u>
Balance as of End of Year			
Actives	\$ 242,628,752		
Inactives	395,411,828		
Total	<u>\$638,040,580</u>	<u>\$64,959,600</u>	<u>\$573,080,980</u>
Covered Employees Payroll	\$ 137,024,578		\$ 137,024,578
OPEB Liability as a Percentage of Covered Payroll	466%		418%
<u>Sensitivity</u>			
Changes in Discount Rate	4.05%		
1% Decrease	\$ 735,804,293		
Discount rate	\$ 638,040,580		
1% Increase	\$ 557,492,085		
Changes in Healthcare Cost Trend			
1% Decrease	\$ 563,936,856		
Trend rate	\$ 638,040,580		
1% Increase	\$ 726,091,448		
<u>Summary of Participant Data</u>			
Measurement Date	12/31/2022		
Fiscal Year End	12/31/2022		
Actives	1,873		
Retirees (including spouses)	2,272		
Total	4,145		

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 20. POST RETIREMENT BENEFITS, (continued)

<u>OPEB Expense</u>	<u>FYE 12/31/22</u>
Service Cost	\$ 9,660,782
Interest Cost	13,118,071
Plan Changes	-
Projected Investment Income	(1,187,878)
<i>Current Period Recognition of deferred (inflows)/outflows of resources</i>	
Difference in projected and actual earnings on assets	(2,880,608)
Change in assumptions	12,955,476
Difference in actual and expected experience	<u>(24,654,374)</u>
OPEB Expense	\$ 7,011,468

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB expense

Fiscal Year ended 12/31	
2022	\$ (14,801,885)
2023	\$ (10,139,624)
2024	\$ 550,168
2025	\$ (20,425,683)
2026	\$ (13,602,541)
Thereafter	\$ 0

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 295,626	\$ (7,405,672)
Changes of assumptions or other inputs	103,396,710	(74,474,465)
Differences between expected and actual experience	<u>2,170,296</u>	<u>(82,402,060)</u>
Total	<u>\$ 105,862,632</u>	<u>\$ (164,282,197)</u>

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 20. POST RETIREMENT BENEFITS, (continued)

Schedule of Changes in Total OPEB Liability and Related Ratios

	Fiscal Year Ending December 31,				
	2022	2021	2020	2019	2018 ¹
Total OPEB Liability					
Service Cost	\$ 9,660,782	\$ 10,998,575	\$ 7,374,391	\$ 11,790,189	\$ 12,610,881
Interest Cost	13,118,071	15,121,199	18,574,640	24,679,728	22,005,190
Plan changes	-	-	-	-	-
Difference between Actual and Expected Experience (gains)/losses	-	(67,406,746)	(37,702,856)	(55,838,405)	13,021,766
Assumption changes	(81,615,261)	26,024,469	74,840,249	97,253,881	(38,770,483)
Benefits Paid (implicit)	(24,415,818)	(28,478,260)	(20,379,167)	(18,468,940)	(21,533,733)
Net Change in Total OPEB Liability	\$ (83,252,227)	\$ (43,740,764)	\$ 42,707,257	\$ 59,416,453	\$ (12,666,378)
Total OPEB Liability - Beginning of Year	\$ 721,292,807	\$ 765,033,570	\$ 722,326,313	\$ 662,909,861	\$ 675,576,239
Total OPEB Liability - End of Year	\$ 638,040,580	\$ 721,292,807	\$ 765,033,570	\$ 722,326,313	\$ 662,909,861
Plan Fiduciary Net Position					
Contributions - Employer	\$ 24,415,818	\$ 28,478,260	\$ 20,379,167	\$ 18,468,940	\$ 29,913,017
Net Investment Income	750,000	8,233,000	8,230,000	3,500,000	-
Benefit payments	(24,415,818)	(28,478,260)	(20,379,167)	(18,468,940)	(21,533,733)
Net Change in plan fiduciary position	\$ 750,000	\$ 8,233,000	\$ 8,230,000	\$ 3,500,000	\$ 8,379,284
Plan fiduciary net position - beginning	\$ 64,209,600	\$ 55,976,600	\$ 47,746,600	\$ 44,246,600	\$ 35,867,316
Plan fiduciary net position - end	\$ 64,959,600	\$ 64,209,600	\$ 55,976,600	\$ 47,746,600	\$ 44,246,600
Net OPEB Liability	573,080,980	657,083,207	709,056,970	674,579,713	618,663,261
Plan fiduciary net position as a percentage of the total OPEB liability	10.18%	8.90%	7.32%	6.61%	6.67%
Covered Employee Payroll	137,024,578	133,033,571	142,675,136	152,512,100	149,655,229
Net OPEB Liability as a percent of Covered Employee Payroll	418%	494%	497%	442%	413%
End of year Discount Rate	4.05%	1.85%	2.00%	2.75%	3.72%

Notes to Schedule:

Change in Benefit Terms

There have been no changes in the benefit terms since the adoption of GASB 75.

Change in Assumptions

The mortality table was changed from RP 2014 projected to 2024 with scale MP 18 to PUB 2010 projected to 2025 with scale MP 20 effective 12/31/20 and the PUB 2010 projected with scale MP 21 effective 12/31/21.

The discount rate is changed annually as shown in the above exhibit.

The medical trend rate was changed to 7.0% grading down to 3.50% in 0.25% increments beginning with 2023.

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 20. POST RETIREMENT BENEFITS, (continued)

Schedule of Deferred Inflows and Outflows of Resources

							Amount Recognized in OPEB Expense for Fiscal Year Ending					
	Fiscal Year Established	Original Amount	Original Period of Recognition	Unrecognized Amount at Last Measurement Date	Amount Recognized In Current OPEB Expense	Unrecognized Amount at This Measurement Date	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	After next 5 years
Investment (gains) losses												
Investment Earnings Less than expected - Deferred Outflow												
	12/31/2018	1,111,887	5	222,379	222,379	-	-	-	-	-	-	-
	12/31/2022	369,532	5	-	73,906	295,626	73,906	73,906	73,906	73,908	-	-
Total				222,379	296,285	295,626	73,906	73,906	73,906	73,908	-	-
Investment Earnings Greater than expected - Deferred Inflow												
	12/31/2019	(1,854,026)	5	(741,611)	(370,805)	(370,806)	(370,806)	-	-	-	-	-
	12/31/2020	(6,916,968)	5	(4,150,180)	(1,383,394)	(2,766,786)	(1,383,394)	(1,383,392)	-	-	-	-
	12/31/2021	(7,113,468)	5	(5,690,774)	(1,422,694)	(4,268,080)	(1,422,694)	(1,422,694)	(1,422,692)	-	-	-
Total				(10,582,565)	(3,176,893)	(7,405,672)	(3,176,894)	(2,806,086)	(1,422,692)	-	-	-
Total Investment		-		(10,360,186)	(2,880,608)	(7,110,046)	(3,102,988)	(2,732,180)	(1,348,786)	73,908	-	-
Change In Assumptions												
Liability increase - Deferred Outflows												
	12/31/2019	97,253,881	6	64,835,921	16,208,980	48,626,941	16,208,980	16,208,980	16,208,981	-	-	-
	12/31/2020	74,840,249	6	49,893,499	12,473,375	37,420,124	12,473,375	12,473,375	12,473,374	-	-	-
	12/31/2021	26,024,469	6	21,687,057	4,337,412	17,349,645	4,337,412	4,337,412	4,337,412	4,337,409	-	-
Total				136,416,477	33,019,767	103,396,710	33,019,767	33,019,767	33,019,767	4,337,409	-	-
Liability (decrease) - Deferred Inflows												
	12/31/2018	(38,770,483)	6	(12,923,495)	(6,461,747)	(6,461,748)	(6,461,748)	-	-	-	-	-
	12/31/2022	(81,615,261)	6	-	(13,602,544)	(68,012,717)	(13,602,544)	(13,602,544)	(13,602,544)	(13,602,541)	-	-
Total				(12,923,495)	(20,064,291)	(74,474,465)	(20,064,292)	(13,602,544)	(13,602,544)	(13,602,544)	(13,602,541)	-
Total Assumptions				123,492,982	12,955,476	28,922,245	12,955,475	19,417,223	19,417,223	(9,265,135)	(13,602,541)	-
Expected vs. Actual Experience												
Economic/demographic losses - Deferred Outflows												
	12/31/2018	13,021,766	6	4,340,590	2,170,294	2,170,296	2,170,296	-	-	-	-	-
Total				4,340,590	2,170,294	2,170,296	2,170,296	-	-	-	-	-
Economic/demographic (gains) - Deferred Inflows												
	12/31/2019	(55,838,405)	6	(27,919,202)	(9,306,401)	(18,612,801)	(9,306,401)	(9,306,400)	-	-	-	-
	12/31/2020	(37,702,856)	6	(25,135,238)	(6,283,809)	(18,851,429)	(6,283,809)	(6,283,809)	(6,283,811)	-	-	-
	12/31/2021	(67,406,746)	6	(56,172,288)	(11,234,458)	(44,937,830)	(11,234,458)	(11,234,458)	(11,234,458)	(11,234,456)	-	-
Total				(109,226,728)	(26,824,668)	(82,402,060)	(26,824,668)	(26,824,667)	(17,518,269)	(11,234,456)	-	-
Total Experience				(104,886,138)	(24,654,374)	(80,231,764)	(24,654,372)	(26,824,667)	(17,518,269)	(11,234,456)	-	-
Total Outflows				140,979,446	35,486,346	105,862,632	35,263,969	33,093,673	33,093,673	4,411,317	-	-
Total Inflows				(132,732,788)	(50,065,852)	(164,282,197)	(50,065,854)	(43,233,297)	(32,543,505)	(24,837,000)	(13,602,541)	-
Total		(84,596,429)		8,246,658	(14,579,506)	(58,419,565)	(14,801,885)	(10,139,624)	550,168	(20,425,683)	(13,602,541)	0

COUNTY OF UNION, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 21. OTHER MATTERS

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses and cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the County of Union is \$130,591,800 which will be available for use until December 31, 2024.

In addition, during 2023 revenues of the County were not materially affected.

NOTE 22. SUBSEQUENT EVENTS

The County had the following debt activity subsequent to the date of the financial statements:

The County issued Bonds dated June 1, 2024 in the amount of \$46,835,000 payable from 2025 through 2036 at 4.00%. These Bonds consisted of \$38,510,000 of General Improvement Bonds, \$1,375,000 of County Vo-Tech School Bonds, \$4,415,000 of County College Bonds (Series A)(Ch. 12) and \$2,535,000 County College Bonds (Series B).

The County issued Bond Anticipation Notes dated June 14, 2024 in the amount of \$25,800,000 payable on June 13, 2025 at 5.00%.

The Union County Improvement Authority issued County guaranteed Lease Revenue dated April 11, 2024 in the total amount of \$109,645,000. \$55,270,000 of the total was borrowed as a Serial Bond payable from 2025 through 2044 at 5.00%. \$24,355,000 of the total was borrowed as a Term Bond due April 15, 2049 at 4.25%. The final \$30,020,000 of the total borrowed as a Term Bond due April 15, 2054 at 4.125%.

The County has evaluated subsequent events through June 17, 2024, the date which the financial statements were available to be issued and no other items were noted for disclosure.



WIELKOTZ & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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ACCOUNTANT'S COMPILATION REPORT

The Honorable Director and Members
of the Board of Commissioners
County of Union
County Administration Building

We have compiled the accompanying balance sheets - regulatory basis of the individual funds from the 2024 Annual Financial Statement (AFS) of the County of Union, New Jersey as of December 31, 2024 and the related statements of operations and changes in fund balances - regulatory basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements - regulatory basis have been prepared on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to representing in the form of financial statements information that is the representation of management of the County of Union. We have not audited or reviewed the accompanying financial statements - regulatory basis and, accordingly, do not express an opinion or any other form of assurance on them.

Management of the County of Union has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the regulatory basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the County of Union's financial position - regulatory basis and the results of its operations and changes in its fund balance - regulatory basis. Accordingly, these financial statements are not designed for those who are not informed about such matters.

WIELKOTZ & COMPANY, LLC
Certified Public Accountants

/s/ Steven D. Wielkotz
Steven D. Wielkotz, C.P.A., R.M.A.

April 8, 2025



COUNTY OF UNION, NEW JERSEY
CURRENT FUND
BALANCE SHEET-REGULATORY BASIS
DECEMBER 31, 2024 (UNAUDITED)

ASSETS AND DEFERRED CHARGES

<u>Regular Fund</u>	
Cash and Investments	260,440,757
<u>Change Fund</u>	<u>2,750</u>
	260,443,507
Receivables and Other Assets with Full Reserves:	
Added and Omitted taxes	2,210,707
Other Receivables	46,184
Due From Trust Funds	62,839,032
Due From Grant Fund	63,682,612
Due From General Capital Fund	<u>45,306,463</u>
	174,084,998
Deferred Charges:	
Emergency Authorization	
Special Emergency Authorizations (N.J.S. 40A:4-55)	<u>0</u>
	434,528,505
<u>Federal and State Grant Fund</u>	
Cash and Investments	120,506,442
Grants Receivable	<u>164,759,142</u>
	285,265,584
	<u>719,794,089</u>

COUNTY OF UNION, NEW JERSEY
CURRENT FUND
BALANCE SHEET-REGULATORY BASIS
DECEMBER 31, 2024 (UNAUDITED)

LIABILITIES, RESERVES AND FUND BALANCE

Regular Fund

Liabilities:

Appropriation Reserves	34,927,213
Reserve for Encumbrances	19,807,656
Accounts Payable	1,085,945
Reserve for Sale of Assets	6,294,779

62,115,593

Reserve for Receivables and Other Assets	174,084,998
Fund Balance	198,327,914

434,528,505

Federal and State Grant Fund

Interfund Accounts Payable	63,682,612
Encumbrances	111,823,844
Accumulated Revenue Unappropriated	28,214
Appropriated Reserves for Federal and State Grants	109,730,914

285,265,584

719,794,089

COUNTY OF UNION, NEW JERSEY
CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
DECEMBER 31, 2024 (UNAUDITED)

Revenue and Other Income

Fund Balance Utilized	38,750,000
Receipts from Current Taxes	373,722,967
Miscellaneous Revenue Anticipated	234,987,671
Nonbudget Revenue	11,240,093
Other Credits to Income	<u>29,452,570</u>
	<u>688,153,301</u>

Expenditures

Budget Appropriations	622,638,881
Miscellaneous Other Expenditures	<u>24,619,273</u>
	<u>647,258,154</u>

Excess in Revenue	40,895,147
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Adjustments to Income before Fund Balance:

Expenditure Included Above Which are by Statute Deferred
Charges to Budget of Succeeding Year

Statutory Excess to Fund Balance	40,895,147
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Fund Balance

Balance January 1	<u>196,182,767</u>
	237,077,914
Decreased by:	
Utilized as Anticipated Revenue	<u>38,750,000</u>
Balance December 31	<u><u>198,327,914</u></u>

COUNTY OF UNION, NEW JERSEY
TRUST FUND
BALANCE SHEET-REGULATORY BASIS
DECEMBER 31, 2024 (UNAUDITED)

ASSETS

Open Space Trust Fund:	
Cash	32,409,463
Accounts Receivable	86,816
	<u>32,496,279</u>
Community Development Block Grant Trust Fund:	
Cash	6,244,588
Various Receivables	30,110,740
	<u>36,355,328</u>
Other Trust Fund:	
Cash	163,346,769
	<u>163,346,769</u>
	<u>232,198,376</u>

LIABILITIES AND FUND BALANCE

Open Space Trust Fund:	
Commitments Payable	4,248,720
Due to Current Fund	7,658,694
Open Space-Appropriated	14,294,939
Open Space-Reserves	6,293,926
	<u>32,496,279</u>
Community Development Block Grant Trust Fund:	
Various Reserves	33,301,688
Due to Current Fund	3,053,640
	<u>36,355,328</u>
Other Trust Fund:	
Reserve for Motor Vehicle Fund	352,146
Commitments Payable	8,396,943
Due to Current Fund	52,126,699
PERS	1,016,068
PERS Contributory Insurance	121,875
PERS Supplemental Insurance	42,698
Police and Fire Pension	455,856
Police and Fireman S.A.	631
State Unemployment Tax	3,651,477
Due to SSA UCVTS Self Insurance	337,619
Due to Vo-Tech Health Insurance	281,799
UCVT Reserves	1,680
Reserve for Motor Vehicle-Fund Balance	3,704,565
Total Miscellaneous Trust Reserves	92,036,169
Total Trust Escrow Reserves	820,544
	<u>163,346,769</u>
	<u>232,198,376</u>

COUNTY OF UNION, NEW JERSEY
GENERAL CAPITAL FUND
BALANCE SHEET-REGULATORY BASIS
DECEMBER 31, 2024 (UNAUDITED)

ASSETS AND DEFERRED CHARGES

Cash and Investments	120,725,138
Grants Receivable	
Federal and State Grants Receivable	34,743,543
Guaranteed Capital Leases	204,430,000
Deferred Charges to Future Taxation:	
Funded	343,100,000
Unfunded	173,191,627
Funded DAM Loans	679,307
	<u>876,869,615</u>

LIABILITIES, RESERVES AND FUND BALANCE

General Serial Bonds	343,100,000
Bond Anticipation Notes	25,800,000
Capital Leases Payable	204,430,000
Capital Improvement Fund	12,392,023
Loan Payable	679,307
Interfund Accounts Payable	45,306,463
Reserve for Serial Bonds	18,820,755
Reserve for Serial Bonds-Green Acres	1,475,000
Reserve for Arbitrage	8,597,382
Funded	37,302,772
Unfunded	110,567,107
Encumbered	53,736,477
Fund Balance	<u>14,662,329</u>
	<u>876,869,615</u>
Bonds and Notes Authorized but Not Issued	<u>150,789,889</u>

APPENDIX B

PROPOSED FORM OF BOND COUNSEL OPINION

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APPENDIX B

[Proposed Form of Bond Counsel Opinion]

June __, 2025

Board of County Commissioners of the
County of Union, New Jersey

Dear Board Members:

We have acted as bond counsel in connection with the issuance of \$3,097,000 aggregate principal amount of County College Bonds of 2025 (Chapter 12 State Aid) (the "Bonds") by the County of Union, a political subdivision of the State of New Jersey (the "County"). The Bonds are dated June 15, 2025 and comprise an issue of registered bonds. The Bonds bear interest from their date, payable on each March 1 and September 1, commencing March 1, 2026, in each year until maturity.

The Bonds are payable in annual installments on March 1 in each year, and bear interest at the rates per annum, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026	\$240,000	%	2031	\$315,000	%
2027	255,000		2032	330,000	
2028	270,000		2033	345,000	
2029	285,000		2034	360,000	
2030	300,000		2035	397,000	

The Bonds are issued pursuant to Chapter 12 of the Laws of 1971 of New Jersey, as amended (N.J.S.A. 18A:64A-22.1 *et seq.*), and the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended) and pursuant to a bond ordinance adopted by the Board of County Commissioners of the County on December 18, 2024 (Ord. No. 850-2024) and a resolution adopted by the Board of County Commissioners of the County on April 17, 2025.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and to the rebate of certain arbitrage earnings to the United States. Noncompliance by the County with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The County has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The County's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The County, in executing the Tax Certificate, will certify to the effect that the County expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the bond ordinance and resolution referred to above and related proceedings in connection with the issuance of the Bonds. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below, including the Tax Certificate executed by the Director of Finance/County Treasurer of the County of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and the exhibits thereto. We have also examined the executed and authenticated first numbered Bond and have assumed that all of the other Bonds have been similarly executed and authenticated. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the County in connection with the sale and issuance of the Bonds, or (ii) other documents of the County delivered to the purchasers of the Bonds, and we take no responsibility therefor.

Based on the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the County enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The County has pledged its full faith and credit to the payment of the principal of and interest on the Bonds, and unless paid from other sources, the County is authorized and required by law to levy on all real property taxable by the County such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the County with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Bonds that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC

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APPENDIX C

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

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APPENDIX C

[PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE]

THIS CONTINUING DISCLOSURE CERTIFICATE (this "Certificate") is made June __, 2025 by the County of Union, a political subdivision duly organized under the laws of the State of New Jersey (the "County").

W I T N E S S E T H:

WHEREAS, the County is issuing on the date hereof its \$_____ County College Bonds of 2025 (Chapter 12 State Aid) dated June 15, 2025 (the "Bonds"); and

WHEREAS, the Bonds are being issued pursuant to a resolution adopted by the County on April 17, 2025 (the "Resolution") and the bond ordinance adopted by the County referred to in the Resolution; and

WHEREAS, the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified on the date hereof at 15 U.S.C. 77 et seq.), has adopted amendments to its Rule 15c2-12 (codified at 17 C.F.R. '240.15c2-12) ("Rule 15c2-12"), effective July 3, 1995, which generally prohibit a broker, dealer or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the MSRB (as hereinafter defined); and

WHEREAS, the County represented in its Notice of Sale dated May 15, 2025 (the "Notice of Sale") that it would deliver on the closing date for the Bonds a "Continuing Disclosure Certificate" pursuant to which the County will agree to provide to the MSRB the annual financial information and event notices required to be disclosed on a continual basis pursuant to Rule 15c2-12; and

WHEREAS, on June __, 2025, the County accepted the bid of [Name of Purchaser] (the "Participating Underwriter") for the purchase of the Bonds; and

WHEREAS, the execution and delivery of this Certificate have been duly authorized by the County, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and in the execution and delivery of this Certificate do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, the County is executing this Certificate for the benefit of the holders of the Bonds;

NOW, THEREFORE, for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the County, its successors and assigns do mutually promise, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Terms Defined in Recitals. The following terms shall have the meanings set forth in the recitals hereto:

Bonds	Participating Underwriter
Certificate	Resolution
County	Rule 15c2-12
Notice of Sale	SEC

Section 1.2 Additional Definitions. The following additional terms shall have the meanings specified below:

"Annual Report" means Financial Statements and Operating Data provided at least annually.

"Bondholder" or "holder" or any similar term means any person who is a registered owner of a Bond, including holders of beneficial interests in the Bonds.

"Disclosure Event" means any event described in subsection 2.1(d) hereof.

"Disclosure Event Notice" means the notice to the MSRB as provided in subsection 2.4(a) hereof.

"Dissemination Agent" means an entity acting in such capacity under this Certificate or any other successor entity designated in writing by the County and that has filed a written acceptance of such designation.

"EMMA" means the MSRB's Electronic Municipal Markets Access System.

"Final Official Statement" means the final Official Statement of the County dated June 3, 2025 pertaining to the Bonds.

"Financial Statements" means the audited financial statements of the County for each Fiscal Year of the type included in Appendix A to the Final Official Statement.

"Fiscal Year" means the fiscal year of the County. As of the date of this Certificate, the Fiscal Year of the County begins on January 1 and closes on December 31 of each calendar year.

"GAAS" means generally accepted auditing standards as in effect from time to time, consistently applied.

"MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to Rule 15c2-12. Effective July 1, 2009 and until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

"Operating Data" means the financial and statistical information of the County of the type included in the Final Official Statement under the headings "COUNTY INDEBTEDNESS AND DEBT LIMITS - Debt Limits", "- Schedule of Bonded Indebtedness as of December 31, 2024", "- History of Bonded Debt Ratios", "- Schedule of Comparative Debt", "- Statutory Debt as of December 31, 2024", "- Debt Issued by Union County Utilities Authority and Secured by Deficiency Agreements with the County as of December 31, 2024", "- Schedule of Debt Issued by Other Public Bodies and Guaranteed by the County as of December 31, 2024", "- Authority Debt", "- Debt Service Schedule as of December 31, 2024" and "- Six Year Capital Program 2025"; "TAX COLLECTION DATA" (except under the subheadings "County Taxes" and "Tax Appeals"); and "COUNTY BUDGET AND STATEMENTS OF REVENUES AND EXPENDITURES - Statement of Expenditures", "- Statement of Revenues", "- Revenue Budget" and "- Appropriation Budget".

"State" means the State of New Jersey.

Section 1.3 Interpretation. Words of the masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Certificate, refer to this Certificate as a whole unless otherwise expressly stated.

As the context shall require, the disjunctive term "or" shall be interpreted conjunctively as required to insure that the County performs any obligations mentioned in the passage in which such term appears.

The headings of this Certificate are for convenience only and shall not define or limit the provisions hereof. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Certificate.

ARTICLE II

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1 Continuing Disclosure Covenants of County.
The County agrees that it will provide, or shall cause the Dissemination Agent to provide:

(a) Not later than the first day of the ninth month of each Fiscal Year, commencing with the first Fiscal Year of the County ending after January 1, 2024, an Annual Report to the MSRB in an electronic format, as prescribed by the MSRB. If audited Financial Statements are not available by the filing deadline, the County agrees to provide unaudited financial statements as part of the Annual Report.

(b) Not later than fifteen (15) days prior to the date of each year specified in subsection 2.1(a) hereof, a copy of the Annual Report to the Dissemination Agent, if the County has appointed or engaged a Dissemination Agent.

(c) If not submitted as part of the Annual Report, then when and if available, to the MSRB, audited Financial Statements for the County.

(d) In a timely manner not in excess of ten business days after the occurrence of the event, to the MSRB, notice of any of the following events with respect to the Bonds or financial obligations of the County (each, a "Disclosure Event"):

- (i) Principal or interest payment delinquencies;
- (ii) Non-payment related default, if material;

- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to the rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property which secures the repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the County (the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a

court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County);

- (xiii) The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect Bondholders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties. The County intends the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed to them in SEC Release No. 34-83885 (August 20, 2024).

(e) In a timely manner, to the MSRB, notice of a failure by the County to provide the Annual Report within the period described in subsections 2.1(a) and 2.1(b) hereof.

(f) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.2 Continuing Disclosure Representations. The County represents and warrants that:

(a) Financial Statements shall be prepared in accordance with mandated State statutory accounting principles, as in effect from time to time.

(b) Financial Statements prepared annually shall be audited by an independent certified public accountant in accordance with GAAS.

Section 2.3 Form of Annual Report. (a) The Annual Report may be submitted as a single document or as separate documents comprising a package.

(b) Any or all of the items that must be included in the Annual Report may be incorporated by reference from other documents, including official statements of the County or related public entities thereof which have been made available to the public on the MSRB's website through EMMA or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so incorporated by reference.

(c) The audited Financial Statements of the County, if any, may be submitted separately from the balance of the Annual Report.

Section 2.4 Responsibilities and Duties of County and Dissemination Agent. (a) If the County or the Dissemination Agent (if one has been appointed or engaged by the County) has determined it necessary to report the occurrence of a Disclosure Event, the County or the Dissemination Agent (if one has been appointed or engaged by the County) shall file a notice of such occurrence with the MSRB (the "Disclosure Event Notice") in the form provided by the County.

(b) The County and/or the Dissemination Agent (if one has been appointed or engaged by the County) shall file a written report with the County certifying that the Annual Report has been provided pursuant to this Certificate and stating the date it was provided.

Section 2.5 Appointment, Removal and Resignation of Dissemination Agent. (a) The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations hereunder, and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

(b) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days' written notice to the County. Such resignation shall take effect on the date specified in such notice.

Section 2.6 Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Certificate, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liability that it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this subsection shall survive the resignation or removal of the Dissemination Agent and the payment of the Bonds.

ARTICLE III

DISCLOSURE DEFAULT AND REMEDIES

Section 3.1 Disclosure Default. The occurrence and continuation of a failure or refusal by the County to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Certificate and such failure or refusal shall remain uncured for a period of thirty (30) days shall constitute a Disclosure Default hereunder.

Section 3.2 Remedies on Default. (a) Any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may take whatever action at law or in equity

against the County and any of the officers, agents and employees of the County that is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the County under this Certificate, and may compel the County or any such officers, agents or employees, except for the Dissemination Agent, to perform and carry out their duties under this Certificate; provided, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case any Bondholder shall have proceeded to enforce its rights under this Certificate and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to any Bondholder, then and in every such case the County and any Bondholder shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the County and any Bondholder shall continue as though no such proceeding had been taken.

(c) A default under this Certificate shall not be deemed a default under the Bonds, and the sole remedy under this Certificate in the event of any failure or refusal by the County to comply with this Certificate shall be as set forth in subsection 3.2(a) hereof.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Purposes of Certificate. This Certificate is being executed and delivered by the County for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2 Additional Information. Nothing in this Certificate shall be deemed to prevent the County from (a) disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or (b) including any other information in any Annual Report or any Disclosure Event Notice, in addition to that which is required by this Certificate. If the County chooses to include any information in any Annual Report or any Disclosure Event Notice in addition to that which is

specifically required by this Certificate, the County shall have no obligation under this Certificate to update such information or to include it in any future Annual Report or any future Disclosure Event Notice.

Section 4.3 Notices. All notices required to be given or authorized hereunder shall be in writing and shall be sent by registered or certified mail to the County, Union County Administration Building, Elizabethtown Plaza, Elizabeth, New Jersey 07207, Attention: Director of Finance/County Treasurer.

Section 4.4 Severability. If any provision of this Certificate shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 4.5 Amendments, Changes and Modifications. (a) Without the consent of any Bondholders, the County, at any time and from time to time, may enter into any amendments or modifications to this Certificate for any of the following purposes:

(i) to add to the covenants and agreements of the County hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the County by this Certificate;

(ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the County, to reflect changes in the identity, nature or status of the County or in the business, structure or operations of the County or to reflect any mergers, consolidations, acquisitions or dispositions made by or affecting the County; provided, that any such modification shall comply with the requirements of Rule 15c2-12 as then in effect at the time of such modification; or

(iii) to cure any ambiguity, to correct or supplement any provision hereof that may be inconsistent with any other provision hereof or to include any other provisions with respect to matters or questions arising under this

Certificate that, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification;

provided, that prior to approving any such amendment or modification, bond counsel determines that such amendment or modification does not adversely affect the interests of the holders of the Bonds in any material respect.

(b) Upon entering into any amendment or modification required or permitted by this Certificate, the County shall deliver, or cause the Dissemination Agent to deliver, to each of the Repositories written notice of any such amendment or modification.

(c) The County shall be entitled to rely exclusively upon an opinion of counsel nationally recognized as expert in federal securities law acceptable to the County to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.5 and with Rule 15c2-12.

Section 4.6 Amendments Required by Rule 15c2-12. The County recognizes that the provisions of this Certificate are intended to enable the Participating Underwriter to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Certificate shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by the Participating Underwriter of an opinion of counsel nationally recognized as expert in federal securities law acceptable to the County to the effect that such amendments shall be permitted or necessary to assure continued compliance by the Participating Underwriter with Rule 15c2-12 as so amended or interpreted, then the County shall amend this Certificate to comply with and be bound by any such amendment to this Certificate to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and shall provide the written notice of such amendment as required by subsection 4.5(b) hereof.

Section 4.7 Governing Law. This Certificate shall be governed exclusively by and construed in accordance with the applicable laws of the State of New Jersey.

Section 4.8 Termination of County's Continuing Disclosure Obligations. The continuing obligation of the County under Section 2.1 hereof to provide the Annual Report and any

Disclosure Event Notice and to comply with the other requirements of said Section shall terminate if and when either the Bonds are no longer outstanding or the County no longer remains an "obligated person" (as defined in Rule 15c2-12(f)(10)) with respect to the Bonds and, in either event, only after the County delivers, or causes the Dissemination Agent to deliver, to the MSRB written notice to such effect. This Certificate shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds are outstanding.

Section 4.9 Binding Effect. This Certificate shall inure to the benefit of and shall be binding upon the County and its successors and assigns.

IN WITNESS WHEREOF, THE COUNTY OF UNION, NEW JERSEY, has caused this Certificate to be executed on its behalf and its corporate seal to be hereunto affixed and attested by its duly authorized officers, all on the date first above written.

[SEAL]

ATTEST:

COUNTY OF UNION, NEW JERSEY

James E. Pellettiere
Clerk of the Board of
County Commissioners

By: _____
Lourdes M. Leon
Chairman of the Board of
County Commissioners

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