CITY OF UNION CITY SCHOOL DISTRICT

AUDITOR'S MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CITY OF UNION CITY SCHOOL DISTRICT
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
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FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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REPORT OF INDEPENDENT AUDITOR

Honorable President and
Members of the Board of Education
City of Union City School District
Union City, New Jersey

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the City of Union City School District in the County of Hudson for the year ended June 30, 2025, and have issued our report thereon dated January 15, 2026.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the City of Union City School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Donohue, Gironda, Doria + Tomkins LLC

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

Mauricio Canto

MAURICIO CANTO
Certified Public Accountant
Licensed Public School Accountant
No. 2541

Secaucus, New Jersey
January 15, 2026

SCOPE OF AUDIT

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the activities of the Board of Education, and the records of the Athletic Fund, The Student Activity Fund, Food Service Fund and Special Revenue Fund under the auspices of the Board of Education.

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule, contained in the District's ACFR.

Official Bonds

Name	Position	Amount
Anthony Dragona	School Business Administrator	$750,000
Justin Mercado	Board Secretary/ Custodian of School Moneys	$750,000

The Board also has an errors and omissions policy with the New Jersey Schools Insurance Group with coverage of $31,000,000 total for all fees and claims.

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A.18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness. The data submitted did include all health benefit plans offered by District.

The District data certification was completed by the school business administrator. The District Chapter 44 data was submitted timely.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Examination of Claims

A test examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification and proper itemization and/or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and the Board's required payroll contributions were deposited in the Agency Reserve Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Finding 2025-001
There was one instance where an individual was found to be on the District's employee health benefits insurance plan when on extended leave of absence. This finding is repeated from prior year.

Recommendation
The District should establish controls to monitor and ensure individuals are timely removed from the District's employee health benefits insurance plan when no longer eligible.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)

Payroll Account and Position Control Roster (Continued)

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium withholding due to the general fund.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2025 for proper classification of orders as reserve for encumbrances and accounts payable. No discrepancies were noted.

Travel

No exceptions were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C.* 6A:23-2.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classification to determine overall reliability and compliance with *N.J.A.C.* 6A:23-8.3. As a result of the procedures performed, no transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings - No findings were noted

B. Administrative Classification Findings - No findings were noted

Board Secretary's and Business Administrator's Records

Our review of the financial and accounting records maintained by the board secretary and business administrator disclosed an over-expenditure of a budget appropriation for adult education salaries as a result of and as noted in finding 2025-004 for Other Special Federal and/or State Projects. Our review also disclosed the following:

Finding 2025-002
The District did not transfer appropriations to general fund contribution to school-based budgeting to offset reduction in anticipated contribution from the special revenue fund. The contribution from the special revenue fund was appropriately budged and allowed by the ARP ESSER III grant program. However, the District was unable to report such contribution in the State electronic financial reporting system and reverted to expending funds directly in the special revenue fund. This finding is repeated from the prior year.

Recommendation
The District modify budget when funding for expenditures are transferred or reverted to special revenue fund.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. did not indicate any areas of noncompliance and/or questionable costs.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the other special federal and/or state projects indicated the following areas of noncompliance:

Adult Education and Literacy Act, Title II

Finding 2025-003
The District Adult Education and Literacy Act, Title II program financial reporting used for reimbursement requests did not agree with the accounting records in the District's financial management system. As a result of the independent audit, $34,916 of encumbrances were cancelled to agree to final financial report. The adjustments were in total and without adequate audit trail. This finding is repeated from prior year.

Recommendation
Management timely and regularly perform closing procedures of Adult Education and Literacy Act, Title II program accounting to ensure accuracy and completeness of accounting in the in the District's financial management system and agrees to financial reporting used for reimbursement requests.

Clean School Bus Program

Finding 2025-004 (ACFR Finding 2025-003)
Management of the District did not formally document or record the procurement and purchase of electric school buses with Clean School Bus Program grant to evidence compliance with procurement and reporting requirements of grant. The District did not formally accept and authorize with a resolution of the board of education: 1) a subrecipient grant agreement for Clean School Bus Program grant with Van-Con, Inc., a for profit entity; nor 2) the procurement, contract award, and purchase of electric school buses from Van-Con, Inc. using such Clean School Program grant funds.

Recommendation:
The District review and either nullify or accept and authorize with a resolution of the board of education: 1) a subrecipient grant agreement for Clean School Bus Program grant with Van-Con, Inc., a for profit entity; and 2) the procurement, contract award, and purchase of electric school buses from Van-Con, Inc. using such Clean School Program grant funds. If a contract is awarded with grant funds, such contract be properly encumbered in the District's financial reporting system.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)

Other Special Federal and/or State Projects (Continued)

School Development Authority Emergent Needs and Capital Projects Grant

Finding 2025-005
The District accounted for School Development Authority (SDA) Emergent Needs and Capital Projects Grants (the "Grants") in the general fund and transferred budget appropriation from grants although the Grants were restricted to allowable program costs and required to be accounted for in the special revenue fund. As a result of the independent audit of financial statements, the grant activity was transferred to the special revenue fund and revenues only recognized as expended for allowable program costs. Furthermore, budget appropriations transferred from grants in general fund were reversed causing an over-expenditure in tuition to CSSD & regional day schools of $101,410. This finding is repeated from prior year.

Recommendation
The District account for School Development Authority (SDA) Emergent Needs and Capital Projects Grant in the special revenue fund and monitor expenditures for allowable program costs.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report for all federal awards for the District to reimburse the State for the TPAF/FICA payment made by the State on-behalf of the District for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 60 day grant liquidation period required by the Office of Grants Management, but prior to the 90 days required by *N.J.S.A.* 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Report for all federal awards.

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A*. 18A:18A-2 and 18A:39-3(a) are $44,000 with a Qualified Purchasing Agent (QPA) and $32,000 without a QPA, respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is currently $20,400 effective 2024-25.

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or goods or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

SCHOOL PURCHASING PROGRAMS

Based on the results of our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A.* 18A:18A-4, except for the following:

Finding 2025-006
Audit procedures identified 7 instances where the District purchased goods and services from vendors in excess of bid threshold without a formal bid process.

Recommendation:
Management properly monitor aggregate goods and services purchases and utilize a bid process when approaching the bid threshold.

Resolutions were adopted authorizing the awarding of contracts or agreements for “Professional Services” per *N.J.S.A.* 18A:18A-5.

SCHOOL FOOD SERVICES

The District was authorized to solicit and award emergency noncompetitive procurements and contracts with its food service management company (FSMC) in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The District was also authorized to submit contract modifications to their existing cost reimbursable or fixed price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

The District was notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

The District utilizes the Community Eligibility Option at individual schools that meet eligibility requirements. The criteria to determine if a school qualified for this program is if equal to or greater than forty percent (40%) of the students in a particular school within the district are eligible for free or reduced price meals, then the entire student population of the school receives free meals. The State Aid reimbursement for the participating schools is calculated by utilizing the actual number of meals served multiplied by the percentage of students in each category to determine the number of eligible meals served by category.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable Fixed Price were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

SCHOOL FOOD SERVICES (Continued)

Net cash resources did exceed three months average expenditures.

Finding 2025-007
The District appears to be maintaining a nonprofit food service program, however net cash resources did exceed three months average expenditures as a result of operating an expanded food service program for the community during the COVID-19 pandemic. Due to the extraordinary circumstances and uncertainty of the funding source for costs, the District did not monitor all costs for applicability to the food service program and had substantial net income over the course of the expanded program. Furthermore, the average expenditures of the expanded program are no longer being factored in the calculation.

Recommendation
When the District expands the food service program under any circumstances, the District should adapt internal controls to monitor all costs for applicability to the food service program and manage net cash resources to prevent exceeding three months average expenditures. The District should also provide alternate methods to the food program grantors to evidence nonprofit status.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the ACFR.

STUDENT BODY ACTIVITIES

Overall, cash receipts and disbursements records for the schools were not maintained in satisfactory condition.

Finding 2025-008 (ACFR Finding 2025-002)
The District did not maintain accounting or prepare bank reconciliations for the student activity accounts.

Recommendation:
The District maintain accounting and prepare bank reconciliations for the student activity accounts on a timely basis.

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a test of information reported in the October 15, 2024, Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low income and bilingual. We also performed a review of the district procedures related to its completion. The information on the ASSA was compared to the district workpapers without exception. The information that was included on the workpapers was verified. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent. The District has adequate written procedures for the recording of student enrollment data.

PUPIL TRANSPORTATION

Our audit procedures included a test of on roll status reported in the 2024-25 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

FACILITIES AND CAPITAL ASSETS

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account, and awarding of contracts for eligible facilities construction. The following exception was noted:

Finding 2025-009 (ACFR Finding 2025-001)
The District is not maintaining fixed assets subsidiary ledger on a live basis nor performing periodic inventory to ensure safeguarding of assets and accuracy of ledger for financial reporting and insurance purposes. This finding is repeated from prior year.

Recommendation
The District maintain fixed assets subsidiary ledger on a live basis and perform periodic inventory to ensure safeguarding of assets and accuracy of ledger for financial reporting and insurance purposes.

TESTING FOR LEAD OF ALL DRINKING WATER IN EDUCATIONAL FACILITIES

The District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The District did submit the annual Statement of Assurance of the Department of Education pursuant to N.J.A.C. 26-12.4(g).

OTHER MATTERS

Self Insurance

The District is estimating liability for claims incurred but not reported (run-off) for self-insurance of employee health benefit plan. Although the District accounts for the health insurance benefit plan in the general fund on a pay-as-you-go basis, the liability is required to be reported in the government-wide financial statements in accordance with generally accepted accounting principles. The estimate of claims incurred but not reported for self-insured employee health insurance benefit plan have not been calculated by an actuary and could vary substantially from actual results. If the District were to account for self-insured employee health insurance benefit plan in an internal service fund, the balance of claims incurred but not reported would be reserved and would reduce fund balance by such amount.

FOLLOW-UP ON PRIOR YEAR FINDINGS

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on a prior year finding and the following are repeated in this year's recommendations noted as current year findings 2025-001, 2025-002, 2025-003, 2025-005 and 2025-009:

- The District should establish controls to monitor and ensure individuals are timely removed from the District's employee health benefits insurance plan when no longer eligible. (2025-001)

- The District modify budget when funding for expenditures are transferred or reverted to special revenue fund. (2025-002)

- Management timely and regularly perform closing procedures of Adult Education and Literacy Act, Title II program accounting to ensure accuracy and completeness of accounting in the in the District's financial management system and agrees to financial reporting used for reimbursement requests. (2025-003)

- The District account for School Development Authority (SDA) Emergent Needs and Capital Projects Grant in the special revenue fund and monitor expenditures for allowable program costs. (2025-005)

- The District maintain fixed assets subsidiary ledger on a live basis and perform periodic inventory to ensure safeguarding of assets and accuracy of ledger for financial reporting and insurance purposes. (2025-009)

ACKNOWLEDGMENT

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

Donohue, Gironda, Doria & Tomkins LLC

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

Mauricio Canto

MAURICIO CANTO
Certified Public Accountant
Licensed Public School Accountant
No. 2541

Secaucus, New Jersey
January 15, 2026

CITY OF UNION CITY SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
ENTERPRISE FUND
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDER CLAIM - FEDERAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Program	Meal Category	Meals Claimed	Meals Tested	Meals Verified	Difference	Rate	(Over)/Under Claim
National School Lunch (High Rate)	Paid	302,922	94,356	94,356	-	0.44	-
	Reduced	131,404	42,940	42,940	-	4.05	-
	Free	1,200,270	366,761	366,761	-	4.45	-
	Total	1,634,596	504,057	504,057	-		-
National School Lunch	HHFKA- PB Lunch Only	1,634,596	504,057	504,057	-	0.09	-
School Breakfast (Severe Needs Rate)	Paid	203,920	63,939	63,939	-	0.39	-
	Reduced	81,858	26,199	26,199	-	2.54	-
	Free	807,666	240,781	240,781	-	2.84	-
	Total	1,093,444	330,919	330,919	-		-
Child & Adult Care Food Snack	Free	58,921	23,610	23,610	-	1.21	-
Lunch & Supper	Free	76,887	28,993	28,993	-	4.43	-
	Cash in Lieu	76,887	28,993	28,993	-	0.30	-
	Total	212,695	81,596	81,596	-		-
Summer Food Service (SFSP)	Breakfast	23,850	23,850	23,850	-	2.71	-
	Lunch	43,747	43,747	43,747	-	4.72	-
	Total	43,747	43,747	43,747	-		-
Total Net (Over)/Under Claim					-		-

CITY OF UNION CITY SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
ENTERPRISE FUND
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDER CLAIM - STATE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Program	Meal Category	Meals Claimed	Meals Tested	Meals Verified	Difference	Rate	(Over)/Under Claim
National School Lunch (High Rate)	Paid	302,922	94,356	94,356	-	0.06	-
	Reduced	131,404	42,940	42,940	-	0.47	-
	Free	1,200,270	366,761	366,761	-	0.07	-
	Total	1,634,596	504,057	504,057	-		-
National School Lunch	NJEIE	33,426	9,389	9,389	-	4.01	-
School Breakast (Severe Needs Rate)	State After Bell	1,093,444	330,919	330,919	-	0.10	-
	Reduced	81,858	26,199	26,199	-	0.30	-
	NJEIE	22,826	6,197	6,197	-	2.45	-
	Total	1,198,128	363,315	363,315	-		-
Total Net (Over)/Under Claim					-		-

CITY OF UNION CITY SCHOOL DISTRICT
NET CASH RESOURCE SCHEDULE
NET CASH RESOURCES DID EXCEED THREE MONTHS OF EXPENDITURES
PROPRIETARY FUND - FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

			Food Service Exhibits B-4/5	
NET CASH RESOURCES:				
ACFR	Current assets*			
B-4	Cash and cash equivalents		$ 4,696,565	
B-4	Accounts receivable		720,784	
B-4	Interfund receivable		92,026	
ACFR	Current liabilities			
B-4	Interfund payable		-	
B-4	Accounts payable		(797,547)	
NET CASH RESOURCES			$ 4,711,828	(A)
NET ADJUSTED TOTAL OPERATING EXPENSE:				
ACFR				
B-5	Total operating expenses		10,991,374	
B-5	Less depreciation		(353,044)	
NET ADJUSTED TOTAL OPERATING EXPENSE			$ 10,638,330	(B)
AVERAGE MONTHLY OPERATING EXPENSE:				
	Monthly Average	B ÷ 10	$ 1,063,833	(C)
AVERAGE MONTHLY OPERATING EXPENSE		3 x C	$ 3,191,499	(D)

TOTAL IN BOX A	$ 4,711,828
LESS TOTAL IN BOX D	(3,191,499)
NET	$ 1,520,329

From above:
A is greater than D, cash exceeds 3 times average monthly operating expenses.
D is greater than A, cash does not exceed 3 times average monthly operating expenses.

* Inventories are not to be included in total current assets.

SOURCE: USDA resource management comprehensive review form.

CITY OF UNION CITY SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

SCHEDULE OF AUDITED ENROLLMENTS

	2025-2026 Application for State School Aid						Sample of Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full Day Preschool (3yr)	127	-	127	-	-	-	127	-	127	-	-	-	-	-	-	-
Full Day Preschool (4yr)	202	-	202	-	-	-	202	-	202	-	-	-	-	-	-	-
Full Day Kindegarten	678	-	678	-	-	-	678	-	678	-	-	-	-	-	-	-
One	726	-	726	-	-	-	726	-	726	-	-	-	-	-	-	-
Two	674	-	674	-	-	-	674	-	674	-	-	-	-	-	-	-
Three	767	-	767	-	-	-	767	-	767	-	-	-	-	-	-	-
Four	711	-	711	-	-	-	711	-	711	-	-	-	-	-	-	-
Five	758	-	758	-	-	-	758	-	758	-	-	-	-	-	-	-
Six	768	-	768	-	-	-	768	-	768	-	-	-	-	-	-	-
Seven	761	-	761	-	-	-	761	-	761	-	-	-	-	-	-	-
Eight	795	-	795	-	-	-	795	-	795	-	-	-	-	-	-	-
Nine	817	-	817	-	-	-	817	-	817	-	-	-	-	-	-	-
Ten	810	-	810	-	-	-	810	-	810	-	-	-	-	-	-	-
Eleven	841	-	841	-	-	-	841	-	841	-	-	-	-	-	-	-
Twelve	898	-	898	-	-	-	898	-	898	-	-	-	-	-	-	-
Subtotal	10,333	-	10,333	-	-	-	10,333	-	10,333	-	-	-	-	-	-	-
Special Education-Elementary	530	-	530	-	-	-	530	-	530	-	-	-	34	31	31	-
Special Education-Middle	256	-	256	-	-	-	256	-	256	-	-	-	28	21	21	-
Special Education-Highschool	407	-	407	-	-	-	407	-	407	-	-	-	36	23	23	-
Subtotal	1,193	-	1,193	-	-	-	1,193	-	1,193	-	-	-	98	75	75	-
TOTALS	11,526	-	11,526	-	-	-	11,526	-	11,526	-	-	-	98	75	75	-
Percentage Error					0.00%						0.00%					0.00%

CITY OF UNION CITY SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

SCHEDULE OF AUDITED ENROLLMENTS

	Resident Low Income			Sample for Verification			Resident LIEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Kindergarten	581	581	-	19	19	-	439	439	-	38	38	-
One	618	618	-	20	20	-	391	391	-	34	34	-
Two	571	571	-	19	19	-	301	301	-	26	26	-
Three	668	668	-	22	22	-	369	369	-	32	32	-
Four	618	618	-	20	20	-	352	352	-	31	31	-
Five	655	655	-	22	22	-	239	239	-	21	21	-
Six	669	669	-	22	22	-	208	208	-	18	18	-
Seven	668	668	-	22	22	-	179	179	-	16	16	-
Eight	694	694	-	23	23	-	149	149	-	13	13	-
Nine	672	672	-	22	22	-	150	150	-	13	13	-
Ten	609	609	-	20	20	-	137	137	-	12	12	-
Eleven	622	622	-	21	21	-	129	129	-	11	11	-
Twelve	649	649	-	22	22	-	114	114	-	10	10	-
Subtotal	8,294	8,294	-	274	274	-	3,157	3,157	-	275	275	-
Special Education-Elementary	534	534	-	18	18	-	213	213	-	19	19	-
Special Education-Middle	245	245	-	9	9	-	40	40	-	3	-	3
Special Education-Highschool	343	343	-	11	11	-	11	11	-	2	-	-
Subtotal	1,122	1,122	-	38	38	-	264	264	-	24	19	3
TOTALS	9,416	9,416	-	312	312	-	3,421	3,421	-	299	294	3
Percentage Error			0.00%			0.00%			0.00%			1.00%

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg.-Public Schools	10	10	-	9	9	-
Reg. - Special Education	52	52	-	40	40	-
Special Ed. Spec Trans.	199	199	-	123	123	-
TOTALS	261	261	-	172	172	-
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Reg Avg (Mileage) = Regular including Grade PK Students (Part A)	3.0	3.0
Reg Avg (Mileage) = Regular excluding Grade PK Students (Part B)	3.0	3.0
Special Avg = Special Ed w/ Special Needs	8.9	8.9

SCHEDULE OF AUDITED ENROLLMENTS

	Resident LIEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindegarten	48	48	-	19	19	-
One	50	50	-	20	20	-
Two	38	38	-	15	15	-
Three	30	30	-	12	12	-
Four	21	21	-	8	8	-
Five	25	25	-	10	10	-
Six	23	23	-	9	9	-
Seven	12	12	-	5	5	-
Eight	9	9	-	4	4	-
Nine	35	35	-	14	14	-
Ten	60	60	-	24	24	-
Eleven	59	59	-	23	23	-
Twelfth	68	68	-	26	26	
Subtotal	478	478	-	189	189	-
Special Education-Elementary	14	14	-	6	6	-
Special Education-Middle	3	3	-	1	1	-
Special Education-Highschool	2	2	-	1	1	-
Subtotal	19	19	-	8	8	-
TOTALS	497	497	-	197	197	-
Percentage Error			0.00%			0.00%

CITY OF UNION CITY SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION 1

Calculation A: 2 Percent Excess Surplus

All districts required to use school-based budgeting are required to complete this calculation using 2 percent on line A10.

2024-25 Total General Fund Expenditures per the ACFR, Exhibit C-1	$ 340,699,319	(A)		
Increased by Applicable Operating Transfers:				
Transfer from Capital Outlay to Capital Projects	-	(A1a)		
Transfer from Reserve to Capital Projects	-	(A1a)		
Transfer from G/F to SRF for Preschool - Regular	-	(A1a)		
Transfer from G/F to SRF for Preschool - Inclusion	775,511	(A1a)		
Less:				
Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	(7,333,510)	(A1b)		
Adjusted 2024-25 General Fund & Other State Expenditures [(A) + (A1a) - (A1b)]			$ 334,141,320	(A2)
Decreased by:				
On-Behalf TPAF Pension & Social Security			$ (54,634,749)	(A3)
Assets Acquired Under Finance Puchases:				
General Fund 10 Assets Acquired Under Finance Purchases reported on Exhibit C-1a	$ (509,174)	(A4)		
Add:				
General Fund & State Resources Portion of Fund 15				
Assets Acquired Under Finance Purchases:				
Assets Acquired Under Finance Purchases in Fund 15 reported on Exhibit C-1a	-	(A5)		
Combined General Fund Contribution & State Resources % of Fund 15 Resources Reported on Exhibit D-2	95.34%	(A6)		
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Finance Purchases [(A5) x (A6)]	-	(A7)		
Total Assets Acquired Under Finance Purchases [(A4) + (A7)]			(509,174)	(A8)
2024-25 General Fund Expenditures [(A2) - (A3) - (A8)]			$ 278,997,397	(A9)
2% of Adjusted 2024-2025 General Fund Expenditures [(A9) x 2%]			$ 5,579,948	(A10)
Enter Greater of (A10) or $250,000			5,579,948	(A11)
Increased by: Allowable Adjustment*			-	(K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(A11) + (K)]			$ 5,579,948	(M)

SECTION 2

Total General Fund - Fund Balances at June 30, 2025	$ 40,590,834	(C)		
Decreased by:				
Year-end Encumbrances	(19,332,331)	(C1)		
Legally Restricted - Designated for Subsequent Year's Expenditures	-	(C2)		
Excess Surplus - Designated for Subsequent Year's Expenditures**	(11,153,881)	(C3)		
Other Restricted Fund Balances****	(1,826,332)	(C4)		
Assigned - Designated for Subsequent Year's Expenditures	(7,038,892)	(C5)		
Total Unassigned Fund Balance [(C) - (C1) - (C2) - (C3) - (C4) - (C5)]			$ 1,239,398	(U)

SECTION 3

Restricted Fund Balance - Excess Surplus***[(U) - (M)] IF NEGATIVE ENTER -0-	$ -	(E)

Summary:		
Restricted Excess Surplus - Designated for Subsequent Year's Expenditures**	$ 11,153,881	(C3)
Restricted Excess Surplus***[(E)]	-	(E)
Total [(C3) + (E)]	$ 11,153,881	(D)

* This adjustment line (line (K) as detailed below) is to utilized for Impact Aid, Sale and Lease-back, Extraordinary Aid, Additional Nonpublic School Transportation Aid, and unbudgeted FICA Wage Freeze Grant Revenue, if applicable. Extraordinary Aid and Additional Nonpublic School Transportation Aid for 2024-25 received after June 30 is limited to the amount of revenue recognized in the audit year that was not appropriated.

Detail of Allowable Adjustements

Impact Aid	$ -	(H)
Sale & Lease-back	-	(I)
Extraordinary Aid	-	(J1)
Additional Nonpublic School Transportation Aid	-	(J2)
Current Year School Bus Advertising Revenue Recognized	-	(J3)
Family Crisis Transportation Aid	-	(J4)
Maintenance of Equity Aid and Military Impact Aid	-	(J5)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	$ -	(K)

** This amount represents the June 30, 2024 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** See (E) above. The amount entered must agree with the June 30, 2024 ACFR and Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to that Assistant to the Commissioner for Finance prior to September 30.

(N-1) Capital reserve at June 30, 2025
(N-2) Maintenance reserve minimum required under EFCFA
(N-3) Tuition reserve at June 30, 2025
(N-4) Emergency reserve at June 30, 2025
(N-5) School bus fuel offset reserve – current year - June 30, 2025
(N-6) School bus fuel offset reserve – prior year - June 30, 2025
(N-7) Impact Aid general fund reserve at June 30, 2025
(N-8) Impact Aid capital fund reserve at June 30, 2025
(N-9) Unemployment fund reserve at June 30, 2025

Detail of Other Restricted/Reserved Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	-	
Sale/lease-back reserve	-	
Capital reserve (N-1)	1,826,332	
Maintenance reserve (N-2)	-	
Tution reserve (N-3)	-	
Emergency reserve (N-4)	-	
School Bus Advertising 50% Fuel Offset Reserve - current year (N-5)	-	
School Bus Advertising 50% Fuel Offset Reserve - prior year (N-6)	-	
Impact Aid General Fund Reserve (Section 8002 and 8003) (N-7)	-	
Impact Aid Capital Fund Reserve (Section 8007 and 8008) (N-8)	-	
Reserve for Unemployment Fund (N-9)	-	
[Other Restricted/Reserved Fund Balance not noted above]****		
Capital reserve - reserved for local share of 2024-2025 district budget	-	
Maintenance reserve - reserved for local share of 2024-2025 district budget	-	
Total Other Restricted/Reserved Fund Balance	$ 1,826,332	(C4)

1. Administrative Practices and Procedures

   None

2. Financial Planning, Accounting and Reporting

   - The District should establish controls to monitor and ensure individuals are timely removed from the District's employee health benefits insurance plan when no longer eligible.
   - The District modify budget when funding for expenditures are transferred or reverted to special revenue fund.
   - Management timely and regularly perform closing procedures of Adult Education and Literacy Act, Title II program accounting to ensure accuracy and completeness of accounting in the in the District's financial management system and agrees to financial reporting used for reimbursement requests.
   - The District review and either nullify or accept and authorize with a resolution of the board of education: 1) a subrecipient grant agreement for Clean School Bus Program grant with Van-Con, Inc., a for profit entity; and 2) the procurement, contract award, and purchase of electric school buses from Van-Con, Inc. using such Clean School Program grant funds. If a contract is awarded with grant funds, such contract be properly encumbered in the District's financial reporting system.
   - The District account for School Development Authority (SDA) Emergent Needs and Capital Projects Grant in the special revenue fund and monitor expenditures for allowable program costs.

3. School Purchasing Programs

   - Management properly monitor aggregate goods and services purchases and utilize a bid process when approaching the bid threshold.

4. School Food Services

   - When the District expands the food service program under any circumstances, the District should adapt internal controls to monitor all costs for applicability to the food service program and manage net cash resources to prevent exceeding three months average expenditures. The District should also provide alternate methods to the food program grantors to evidence nonprofit status.

5. Student Body Activities

   - The District maintain accounting and prepare bank reconciliations for the student activity accounts on a timely basis.

6. Application for State School Aid

   None

7. Pupil Transportation

   None

8. Facilities and Capital Assets

   - The District maintain fixed assets subsidiary ledger on a live basis and perform periodic inventory to ensure safeguarding of assets and accuracy of ledger for financial reporting and insurance purposes.

9. Testing for Lead and All Drinking Water in Educational Facilities

   None

10. Follow-Up on Prior Year Findings

Corrective action has been taken on a prior year finding and the following are repeated in this year's recommendations:

- The District should establish controls to monitor and ensure individuals are timely removed from the District's employee health benefits insurance plan when no longer eligible.

- The District modify budget when funding for expenditures are transferred or reverted to special revenue fund.

- Management timely and regularly perform closing procedures of Adult Education and Literacy Act, Title II program accounting to ensure accuracy and completeness of accounting in the in the District's financial management system and agrees to financial reporting used for reimbursement requests.

- The District account for School Development Authority (SDA) Emergent Needs and Capital Projects Grant in the special revenue fund and monitor expenditures for allowable program costs.

- The District maintain fixed assets subsidiary ledger on a live basis and perform periodic inventory to ensure safeguarding of assets and accuracy of ledger for financial reporting and insurance purposes.