JERSEY CITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Jersey City)

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
With Independent Auditor's Report

FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

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JERSEY CITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Jersey City)

INTRODUCTORY SECTION

JERSEY CITY REDEVELOPMENT AGENCY
ROSTER OF OFFICIALS
DECEMBER 31, 2024

All commissioners are appointed by the Mayor with the advice and consent of the members of the Council of the City of Jersey City to a five year term. Officers are elected by the commissioners for a one year term. The following individuals held office as of December 31, 2024:

Name	Position	Term Expires
Daniel Rivera	Chairman	06/28/24*
Denise Ridley	Vice Chairwoman	06/29/24*
Donald R. Brown	Commissioner	06/29/25
Douglas Carlucci	Commissioner	06/29/27
Mary P. Noonan	Commissioner	06/29/26
Victor Negron, Jr.	Commissioner	06/29/24*
Darwin R. Ona	Commissioner	06/29/27

* Held Over

Other Officials	
Diana H. Jeffrey	Executive Director
Christopher Fiore	Assistant Executive Director

All members and employees are covered by insurance policies provided by Greenwich Insurance Company.

JERSEY CITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Jersey City)

FINANCIAL SECTION

DONOHUE GIRONDA DORIA TOMKINS LLC

CERTIFIED PUBLIC ACCOUNTANTS AND
REGISTERED MUNICIPAL ACCOUNTANTS

www.dgdcpas.com | 201-275-0823

1 Harmon Meadow Blvd, 3002
Secaucus, NJ 07094

191 Central Ave, 2nd Fl
Newark, NJ 07103

310 Broadway
Bayonne, NJ 07002

INDEPENDENT AUDITOR'S REPORT

Honorable Chairperson and
Members of the Board of Commissioners
Jersey City Redevelopment Agency
Jersey City, New Jersey

Opinion

We have audited the accompanying financial statements of the Jersey City Redevelopment Agency (the "Agency"), a component unit of the City of Jersey City, New Jersey as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Agency's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency, as of December 31, 2024 and 2023 and the changes in its net position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As explained in note 16, the 2023 financial statements have been restated to correct the following errors in reporting:

- The 2023 prior period of adjustment incorrectly included $569,741 for cancellation of accounts payable for capitalized construction costs for prior periods' operating expense instead of respective construction in progress.
- Accounts payable for capitalized construction costs were duplicated in construction in progress.
- Special assessment receivable and bonds payable were incorrectly reported on statement of net position and related interest income and expenses were not reported on statement of revenues and expenses
- Net position net investment in capital assets incorrectly included an offset for bonds payable accrued interest payable.

Our opinion is not modified with respect to this matter.

As explained in note 18, on March 17, 2026 the Agency's Board of Commissioners passed a resolution terminating its cultural arts implementation agreement with the Centre national d'art et de culture Georges Pompidou for cultural arts project. As of December 31, 2024, the Agency has incurred costs for Pathside Redevelopment Project of $17,997,426 that have been capitalized as construction in process in addition to $8,621,325 for acquisition of property. As a result, the Agency will impair costs capitalized as construction in process for the Pathside Redevelopment Project up to $17,997,426 in succeeding periods. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 misstatement, 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 Agency'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other post-retirement benefit information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying budgetary comparison schedule and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and schedule of expenditures of state financial assistance, as required by New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, budgetary comparison schedules, schedules of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2026, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Donohue, Gironda, Doria & Tomkins LLC

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

Secaucus, New Jersey
July 17, 2026

This section of the annual financial statements of the Jersey City Redevelopment Agency (the "Agency"), a component-unit of the City of Jersey City, New Jersey (the "City"), presents Management's Discussion and Analysis of the activities and financial performance of the Agency for the years ended December 31, 2024, 2023, and 2022. The intent of this discussion and analysis is to look at the Agency's financial performance as a whole. Please read it in conjunction with the Agency's financial statements and accompanying notes.

2024 FINANCIAL HIGHLIGHTS

Cash and investments decreased by $50,326,748 (44.22%) to $63,470,786 in 2024 from $113,797,534 in 2023 and total current assets decreased by $50,256,967 (42.81%) to $67,131,765 in 2024 from $117,388,732 in 2023.

Capital assets increased by $5,936,466 (3.58%) to $171,821,480 in 2024 from $165,885,014 in 2023.

Bonds and project notes decreased by $2,835,986 (1.82%) to $153,048,556 in 2024 from $155,884,542 in 2023.

Other liabilities increased by $772,927 (18.28%) to $5,000,599 in 2024 from $4,227,672 in 2023.

Operating revenues decreased by $14,856,134 (72.36%) to $5,675,685 in 2024 from $20,531,819 in 2023.

Operating expenses increased by $2,108,259 (64.12%) to $5,396,483 in 2024 from $3,288,224 in 2023.

Income from operations decreased by $16,964,393 (98.38%) to $279,202 in 2024 from $17,243,595 in 2023 and the change in net position amounted to an increase of $7,687,347 in 2024 compared to an increase of $19,818,692 in 2023.

2023 FINANCIAL HIGHLIGHTS

Cash and investments increased by $41,558,246 (57.53%) to $113,797,534 in 2023 from $72,239,288 in 2022 and total current assets increased by $41,811,506 (55.32%) to $117,388,732 in 2023 from $75,577,226 in 2022.

Capital assets decreased by $7,965,862 (4.58%) to $165,885,014 in 2023 from $173,850,876 in 2022.

Project notes remained at $80,731,551 in 2023 from 2022.

Other liabilities decreased by $890,821 (17.40%) to $4,227,672 in 2023 from $5,118,493 in 2022.

Operating revenues increased by $16,170,289 (370.75%) to $20,531,819 in 2023 from $4,361,530 in 2022.

Operating expenses decreased by $4,021,513 (55.02%) to $3,288,224 in 2023 from $7,309,737 in 2022.

Income from operations increased by $20,191,802 (684.88%) to $17,243,595 in 2023 from ($2,948,207) in 2022 and the change in net position amounted to an increase of $19,818,692 in 2023 compared to a decrease of ($5,330,886) in 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Agency is a self-supporting entity and follows enterprise fund reporting. The Agency's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Enterprise fund statements reflect short and long-term financial information about the activities and operations of the Agency. These statements are presented in a manner similar to a private business. While detailed sub-fund information is not presented, separate accounts are maintained for each program and certain restricted funds or accounts have been established as required by bond resolutions and agreements.

The statement of net position provides information about the nature and amount of investments in resources (assets) and the obligations to Agency creditors (liabilities).

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The statement of revenues, expenses and changes in net position, which accounts for all the current year's revenue and expenses, measures the success of the Agency's operations over the past and can be used to determine how the Agency has funded its costs.

The statement of cash flows provides information about the Agency's cash receipts, cash payments, and changes in cash resulting from operating, investing, and financing activities.

The notes to financial statements provide information that is essential to understanding the basic financial statements, such as the Agency's accounting methods and policies. The notes to financial statements also provide information on contractual obligations, future commitments, contingencies, and other events that could materially affect the Agency's financial position.

FINANCIAL ANALYSIS OF THE AGENCY

Financial Position. The following table summarizes the assets, liabilities, and net position as of December 31, 2024, 2023, and 2022:

	2024	2023	2022
Current assets (excluding non-current receivables)	$ 67,131,765	$ 117,388,732	$ 75,577,226
Capital assets	171,821,480	165,885,014	173,850,876
Non-current assets:			
Mortgage loans receivable	1,253,707	1,262,099	1,544,186
Leases receivable	508,604	-	-
Special assessment receivable	2,275,000	2,435,000	2,595,000
Prepaid sale proceeds to City of Jersey City	-	-	5,000,000
Total assets	242,990,556	286,970,845	258,567,288
Deferred outflows from resources	604,719	708,707	1,481,132
Current liabilities (excluding long-term payables)	20,966,398	70,533,040	37,955,720
Inter-agency loan payable	-	31,083	90,785
Compensated absences liability	460,750	336,650	319,005
Project notes payable	70,203,192	80,731,551	112,356,692
Bond payable	80,570,364	72,717,991	66,610,618
Special assessment bonds payable	2,275,000	2,435,000	2,595,000
Net pension liability	1,713,474	1,721,357	2,428,865
Net OPEB liability	2,826,375	2,138,582	2,279,838
Total liabilities	179,015,553	230,645,254	224,636,523
Deferred inflows of resources	1,166,128	1,308,051	1,134,235
Net position:			
Net investment in capital assets	59,369,642	55,295,220	52,429,833
Unrestricted	4,043,952	431,027	(18,152,171)
Total net position	$ 63,413,594	$ 55,726,247	$ 34,277,662

FINANCIAL ANALYSIS OF THE AGENCY (Continued)

Current assets decreased in 2024 mainly due to $49,290,625 expended in funding received, and held in 2023, from the City of Jersey City for the Loews Theatre renovation project. Current assets further decreased by utilization of cash held from debt issue proceeds for $6,092,562 in capital assets construction in progress. These decreases in current assets were offset with an increase in cash from sale of property completed for a gain of $6,217,500, while sale proceeds due to the City of Jersey of $6,386,809 had not been paid and remained as a current liability.

Current assets increased in 2023 mainly due to $49,290,625 in funding received and held from a grant from the City of Jersey City for the Loew's Theatre renovation project. The proceeds are unspent and held as a current liability unearned grant revenue. Current assets also increased when the sale of property was completed for $7,200,000 with a gain on sale for the entire amount. The Agency had already prepaid the City of Jersey $5,000,000 in proceeds in 2022 from the sale of the property, whereby $5,000,000 expense of sales proceeds to the City of Jersey City was recognized with a reduction of prepaid proceeds from sale to the City of Jersey City. Capital assets decreased in 2023 mainly due to the sale of the Hudson County Community College project to the City of Jersey City for the amount of the Agency's related $16,950,000 Series 2023 Project Note plus $1. The sale resulted in a $16,000,000 reduction in capital assets property held for redevelopment and reduction of project notes payable of $16,950,000. Current assets were reduced by utilization of cash held from debt issue proceeds for $7,953,603 in capital assets construction in progress. Current assets and project notes payable were further reduced by $15,000,000 when Bayfront project note that had been refunded but not matured by 2022 year end was paid in 2023.

Results of Operations. The following table summarizes the revenues, expenses and changes in net position for the years ended December 31, 2024, 2023, and 2022:

	2024	2023	2022
Operating revenues	$ 5,675,685	$ 20,531,819	$ 4,361,530
Operating expenses	5,396,483	3,288,224	7,309,737
Income (Loss) from operations	279,202	17,243,595	(2,948,207)
Non-operating revenues (expenses) - net	7,408,145	2,575,097	(2,382,679)
Change in net position	7,687,347	19,818,692	(5,330,886)
Net position, January 1	55,726,247	34,277,662	39,608,548
Prior year adjustments	-	1,629,893	-
Net position, December 31	$ 63,413,594	55,726,247	$ 34,277,662

When comparing results of operations in 2024 to 2023, operating revenues decreased mainly due to a $14,957,902 decrease in redeveloper reimbursements and operating expenses increased mainly due to a $1,755,068 increase in redeveloper reimbursed expenses. Nonoperating revenues (expenses) increased due mainly to $6,000,000 grant revenue from state sources for capital projects incurred from the museum project, since the funds were for capital projects they are capitalized as construction in progress instead of expensed. Nonoperating revenues (expenses) also increased due to $700,000 recognized in income from joint venture partnership in real estate known as Martin Luther King Hub Plaza, and increase in interest income of $4,892,362 from increase in interest rates and cash balances by holding grant funding was received from the City of Jersey City for the Loew's Theatre renovation project before expending at year end. Nonoperating revenues (expenses) increases were offset by a decrease in gain on sale of property, net of proceeds due to the City of Jersey City of $3,499,309.

When comparing results of operations in 2023 to 2022, operating revenues increased mainly due to a $16,328,610 increase in redeveloper reimbursements and operating expenses decreased mainly due to a $4,070,402 decrease in redeveloper reimbursed expenses. Prior year adjustments were to capitalize $1,629,893 of operating expenses accrued in prior period. Nonoperating revenues (expenses) increased due mainly to $8,247,204 increase in gain on sale of property from the sale of the Hudson County Community College project and other properties offset by the $5,000,000 increase in expense of sale proceeds to the City of Jersey City. Interest expense increased $1,400,093 and interest revenue increased $2,299,547 most attributed to substantial project bonds and notes issued in 2022. The debt obligations were held for a full year in 2023 compared to partial year in 2022, whereby accruing more interest expense on debt obligations and interest revenue on related unspent proceeds. Cost of issuance decreased $811,118 as there were only project note reissuances during 2023 as opposed to substantial bonds and notes issued in 2022.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Agency's investment in capital assets, which consist of property held for redevelopment, construction in progress, buildings and improvements, and vehicles and equipment, amounted to $172,052,899, $166,097,837, and $174,044,234 at December 31, 2024, 2023, and 2022, respectively. Accumulated depreciation amounted to $231,419, $212,823 and $193,358 at those respective dates.

The following table summarizes the changes in capital assets in 2024, 2023, and 2022:

Description	January 1,	Additions	Dispositions	December 31,
For the year ended December 31, 2024:				
Capital assets, not being depreciated:				
Property held for redevelopment	$ 134,433,441	$ -	$ (137,500)	$ 134,295,941
Construction in progress	24,358,986	6,092,562	-	30,451,548
Total capital assets, not being depreciated	158,792,427	6,092,562	(137,500)	164,747,489
Capital assets, being depreciated	7,305,410	-	-	7,305,410
Less accumulated depreciation	(212,823)	(18,596)	-	(231,419)
Total capital assets, being depreciated, net	7,092,587	(18,596)	-	7,073,991
Total capital assets, net	$ 165,885,014	$ 6,073,966	$ (137,500)	$ 171,821,480
For the year ended December 31, 2023:				
Capital assets, not being depreciated:				
Property held for redevelopment	$ 150,333,441	$ 100,000	$ (16,000,000)	$ 134,433,441
Construction in progress	16,405,383	7,953,603	-	24,358,986
Total capital assets, not being depreciated	166,738,824	8,053,603	(16,000,000)	158,792,427
Capital assets, being depreciated	7,305,410	-	-	7,305,410
Less accumulated depreciation	(193,358)	(19,465)	-	(212,823)
Total capital assets, being depreciated, net	7,112,052	(19,465)	-	7,092,587
Total capital assets, net	$ 173,850,876	$ 8,034,138	$ (16,000,000)	$ 165,885,014
For the year ended December 31, 2022:				
Capital assets, not being depreciated:				
Property held for redevelopment	$ 25,374,379	$ 125,236,266	$ (277,204)	$ 150,333,441
Construction in progress	8,703,457	7,701,926	-	16,405,383
Total capital assets, not being depreciated	34,077,836	132,938,192	(277,204)	166,738,824
Capital assets, being depreciated	7,305,410	-	-	7,305,410
Less accumulated depreciation	(173,894)	(19,464)	-	(193,358)
Total capital assets, being depreciated, net	7,131,516	(19,464)	-	7,112,052
Total capital assets, net	$ 41,209,352	$ 132,918,728	$ (277,204)	$ 173,850,876

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

The following table summarizes the changes in bonds and notes payable in 2024, 2023, and 2022:

Description	January 1,	Issuance/ (Refunding)	(Realization) of Premium	(Payments)	December 31,	Due Within On Year
For the year ended December 31, 2024:						
Park Street Improvements						
Redevelopment Project:						
Bonds payable						
Principal (Tax Exempt)	$ 2,435,000	$ -	$ -	$ (160,000)	$ 2,275,000	$ 170,000
Pathside Redevelopment Project:						
Bond payable:						
Principal (Federally Taxable)	-	9,245,000	-	-	9,245,000	140,000
Project note payable:						
Principal (Federally Taxable)	9,495,000	(9,245,000)	-	(250,000)	-	-
Original issue principal	9,495,000	-	-	(250,000)	9,245,000	140,000
Original issue premium	43,267	95,871	(139,138)	-	-	-
	9,538,267	95,871	(139,138)	(250,000)	9,245,000	140,000
Bayfront Redevelopment Project:						
Bond payable:						
Principal (Tax Exempt)	54,135,000	-	-	-	54,135,000	-
Principal (Federally Taxable)	7,500,000	-	-	-	7,500,000	-
Project notes payable:						
Principal (Tax Exempt)	60,300,000	-	-	(320,000)	59,980,000	59,980,000
Principal (Federally Taxable)	9,570,000	55,000	-	-	9,625,000	9,625,000
Original issue principal	131,505,000	55,000	-	(320,000)	131,240,000	69,605,000
Original issue premium	12,406,275	630,390	(2,748,109)	-	10,288,556	598,192
	143,911,275	685,390	(2,748,109)	(320,000)	141,528,556	70,203,192
Total	$ 155,884,542	$ 781,261	$ (2,887,247)	$ (730,000)	$ 153,048,556	$ 70,513,192

Description	January 1,	Issuance/ (Refunding)	(Realization) of Premium	(Payments)	December 31,	Due Within On Year
For the year ended December 31, 2023:						
Park Street Improvements						
Redevelopment Project:						
Bonds payable						
Principal (Tax Exempt)	$ 2,595,000	$ -	$ -	$ (160,000)	$ 2,435,000	$ 160,000
Pathside Redevelopment Project:						
Project note payable:						
Principal (Tax Exempt)	9,745,000	(9,495,000)	-	(250,000)	-	-
Principal (Federally Taxable)	-	9,495,000	-	-	9,495,000	-
Original issue principal	9,745,000	-	-	(250,000)	9,495,000	-
Original issue premium	-	89,918	(46,651)		43,267	-
	9,745,000	89,918	(46,651)	(250,000)	9,538,267	-
Bayfront Redevelopment Project:						
Bond payable:						
Principal (Tax Exempt)	54,135,000	-	-	-	54,135,000	-
Principal (Federally Taxable)	-	7,500,000	-	-	7,500,000	-
Project notes payable:						
Principal (Tax Exempt)	52,370,000	7,930,000	-	-	60,300,000	60,300,000
Principal (Federally Taxable)	15,000,000	(5,430,000)	-	-	9,570,000	9,570,000
Original issue principal	121,505,000	10,000,000	-	-	131,505,000	69,870,000
Original issue premium	15,117,948	32,196	(2,743,869)	-	12,406,275	1,323,284
	136,622,948	10,032,196	(2,743,869)	-	143,911,275	71,193,284
Principal (Federally Taxable)*	15,930,000	(15,930,000)	-	-	-	-
Premium on issue	75,508	-	(75,508)	-	-	-
	16,005,508	(15,930,000)	(75,508)	-	-	-
Hudson County Community College Project:						
Project note payable:						
Principal (Federally Taxable)	16,570,000	380,000	-	(16,950,000)	-	-
Original issue premium	23,854	-	(23,854)	-	-	-
	16,593,854	380,000	(23,854)	(16,950,000)	-	-
Total	$ 181,562,310	$ (5,427,886)	$ (2,889,882)	$ (17,360,000)	$ 155,884,542	$ 71,353,284

* Issued to refund project note that had not matured as of year end, whereby temporarily doubling debt obligation.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Description	January 1,	Issuance/ (Refunding)	(Realization) of Premium	(Payments)	December 31,	Due Within On Year
For the year ended December 31, 2022:						
Park Street Improvements						
Redevelopment Project:						
Bonds payable						
Principal (Tax Exempt)	$ 2,750,000	$ -	$ -	$ (155,000)	$ 2,595,000	$ 160,000
Pathside Redevelopment Project:						
Project note payable:						
Principal (Tax Exempt)	$ 10,000,000	$ -	$ -	$ (255,000)	$ 9,745,000	$ 9,745,000
Bayfront Redevelopment Project:						
Bond payable:						
Principal (Tax Exempt)	-	54,135,000	-	-	54,135,000	-
Project notes payable:						
Principal (Tax Exempt)	-	52,370,000	-	-	52,370,000	-
Principal (Federally Taxable)	-	15,000,000	-	-	15,000,000	15,000,000
Original issue principal	-	121,505,000	-	-	121,505,000	15,000,000
Original issue premium	-	17,866,530	-	(2,748,582)	15,117,948	-
	-	139,371,530	-	(2,748,582)	136,622,948	15,000,000
Principal (Federally Taxable)*	-	15,930,000	-	-	15,930,000	15,930,000
Premium on issue	-	75,508	-	-	75,508	-
	-	16,005,508	-	-	16,005,508	15,930,000
Hudson County Community College Project:						
Project note payable:						
Principal (Federally Taxable)	-	16,570,000	-	-	16,570,000	16,570,000
Original issue premium	-	114,499	-	(90,645)	23,854	-
	-	16,684,499	-	(90,645)	16,593,854	16,570,000
Total	$ 12,750,000	$ 172,061,537	$ -	$ (3,249,227)	$ 181,562,310	$ 57,405,000

* Issued to refund project note that had not matured as of year end, whereby temporarily doubling debt obligation.

BUDGETARY HIGHLIGHTS

The State of New Jersey requires local authorities to prepare and adopt annual budgets in accordance with the Local Authorities Fiscal Control Law and regulations adopted by the Local Finance Board pursuant to this statute and codified as N.J.A.C. 5:31-1 et seq. The statutory budget was designed to demonstrate to the Bureau of Authority Regulation of the Division of Local Government Services that the cash flows of the Authority for the coming year will be sufficient to cover operating expenses, interest accruing on bonded indebtedness and cash payments of maturing bond and loan principal.

The following table summarizes the budget versus actual for the year ended December 31, 2024:

	Budget	Actual	Variance
Revenues:			
Operating revenues	$ 2,868,462	$ 3,465,483	$ 597,021
Non-operating expenses	1,116,375	5,558,227	4,441,852
Total revenues	3,984,837	9,023,710	5,038,873
Appropriations:			
Operating appropriations			
Administration	2,576,500	2,522,471	54,029
Non-operating appropriations	1,119,837	895,287	224,550
Total appropriations	3,696,337	3,417,758	278,579
Less: unrestricted net position utilized	-	-	-
Net total appropriations	3,696,337	3,417,758	278,579
Total surplus	$ 288,500	$ 5,605,952	$ 5,317,452

BUDGETARY HIGHLIGHTS (Continued)

Revenues over appropriations exhibit a positive result mainly due to interest on investments and deposits of $4,891,452 included in non-operating revenues was $4,491,452 more than budgeted due to an increase in interest rates and cash balances from holding grant funding that was received from the City of Jersey City for the Loew's Theatre renovation project before expending at year end. Non-operating revenues also increased due to $700,000 recognized in income from joint venture partnership in real estate known as Martin Luther King Hub Plaza that was not budgeted.

CONTACTING THE AGENCY'S MANAGEMENT

This financial report is designed to provide the City of Jersey City residents and taxpayers, and the Agency's customers, investors and creditors, with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the appropriations and grants it receives. If you have questions about this report or need additional financial information, please contact the Agency's Executive Director at 4 Jackson Square, Jersey City, New Jersey 07305, or visit the Agency's website at: *www.jcra.org*.

JERSEY CITY REDEVELOPMENT AGENCY
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

	2024	*Restated* 2023
ASSETS		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	$ 21,701,341	$ 65,694,111
Accounts receivable	-	360,019
Current portion of:		
Mortgage loans receivable	8,774	5,763
Leases receivable	269,908	-
Special assessment receivable	170,000	160,000
Total unrestricted current assets	22,150,023	66,219,893
Restricted assets:		
Restricted cash and cash equivalents	41,769,445	48,103,423
Grants receivable	31,334	8,860
Developers escrow	3,629,645	3,222,319
Total restricted assets	45,430,424	51,334,602
Total current assets	67,580,447	117,554,495
Capital assets, net:		
Non-depreciable:		
Property held for redevelopment	134,295,941	134,433,441
Construction in Progress	30,451,548	24,358,986
Total non-depreciable	164,747,489	158,792,427
Depreciable, net:		
Buildings and improvements	7,269,900	7,269,900
Vehicles and equipment	35,510	35,510
Less: accumulated depreciation	(231,419)	(212,823)
Total depreciable, net	7,073,991	7,092,587
Total capital assets, net	171,821,480	165,885,014
Other assets:		
Mortgage loans receivable	1,494,933	1,506,336
Less: allowance for doubtful accounts	(250,000)	(250,000)
Leases receivable	238,696	-
Special assessment receivable	2,105,000	2,275,000
Total other assets	3,588,629	3,531,336
Total assets	242,990,556	286,970,845
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension liability outflows	29,762	17,349
Deferred OPEB liability outflows	574,957	691,358
Total deferred outflows of resources	604,719	708,707
Total assets and deferred outflows of resources	$ 243,595,275	$ 287,679,552

See Accompanying Notes to Financial Statements (Page 1 of 2)

JERSEY CITY REDEVELOPMENT AGENCY
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

	2024	*Restated* 2023
LIABILITIES		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	$ 866,020	$ 2,873,445
Payroll liabilities	8,033	31,346
Redeveloper contracts payable	-	115,055
Due to the City of Jersey City	6,386,809	14,705
Current portion of:		
Special assessment bonds payable	170,000	160,000
Project notes payable	70,203,192	71,193,284
Bonds payable	140,000	-
Payable from restricted assets:		
Accounts payable	24,619	19,689
Accrued interest payable	290,203	573,273
Developers escrow	11,944,420	8,197,142
Project deposits	1,446,294	3,417,760
Unearned grant revenues	-	55,290,625
Total current liabilities	91,479,590	141,886,324
Long-term liabilities:		
Inter-agency loan payable	-	31,083
Compensated absences payable	460,750	336,650
Special assessment bonds payable	2,105,000	2,275,000
Project notes payable	-	9,538,267
Bonds payable	80,430,364	72,717,991
Net pension liability	1,713,474	1,721,357
Net OPEB liability	2,826,375	2,138,582
Total long-term liabilities	87,535,963	88,758,930
Total liabilities	179,015,553	230,645,254
DEFERRED INFLOWS OF RESOURCES		
Deferred leases receivable inflows	492,852	-
Deferred pension liability inflows	336,248	498,067
Deferred OPEB liability inflows	337,028	809,984
Total deferred inflows of resources	1,166,128	1,308,051
NET POSITION		
Net investment in capital assets	59,369,642	55,295,220
Unrestricted	4,043,952	431,027
Total net position	63,413,594	55,726,247
Total liabilities, deferred inflows of resources and net position	$ 243,595,275	$ 287,679,552

See Accompanying Notes to Financial Statements

JERSEY CITY REDEVELOPMENT AGENCY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	*Restated* 2023
OPERATING REVENUES		
Redeveloper fees	$ 2,015,000	$ 1,861,159
Redeveloper reimbursements	2,644,647	17,602,549
Lease revenue	410,814	233,494
Miscellaneous	605,224	834,617
Total operating revenue	5,675,685	20,531,819
OPERATING EXPENSES		
Salaries and wages	1,387,602	1,294,852
Employee benefits	761,266	580,330
Other expenses	765,326	684,952
Redeveloper reimbursed expenses	2,463,693	708,625
Depreciation	18,596	19,465
Total operating expenses	5,396,483	3,288,224
Income (loss) from operations	279,202	17,243,595
NONOPERATING REVENUES (EXPENSES)		
Grant revenue:		
Federal sources	113,648	49,581
State sources	6,010,133	22,309
Grant expenses:		
Federal sources	(113,648)	(49,581)
State sources	(10,133)	(22,309)
Capital contribution from City of Jersey City	61,020,263	-
Capital grant expense	(61,020,263)	-
Partnership income	700,000	-
Interest income	4,892,362	2,929,966
Interest expense	(3,372,155)	(3,386,787)
Special assessment interest income	49,600	50,450
Special assessment interest expense	(49,600)	(50,450)
Cost of debt issuance	(642,753)	(298,082)
Gain on sale of property	6,217,500	8,330,000
Sale proceeds to City of Jersey City	(6,386,809)	(5,000,000)
Total nonoperating revenues (expenses)	7,408,145	2,575,097
Change in net position	7,687,347	19,818,692
Net position, January 1	55,726,247	34,277,662
Prior period adjustments	-	1,629,893
Net position, December 31	$ 63,413,594	$ 55,726,247

JERSEY CITY REDEVELOPMENT AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	*Restated* 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from:		
Redeveloper fees	$ 1,899,945	$ 1,861,159
Redeveloper reimbursements	4,420,459	1,668,278
Lease revenue	395,062	233,494
Miscellaneous	965,243	701,981
Payments for:		
Salaries and wages	(1,410,915)	(1,285,004)
Employee benefits	(488,043)	(465,208)
Other expenses	(2,772,751)	(355,532)
Redeveloper reimbursed expenses	(2,871,019)	(1,045,719)
Net cash provided by operating activities	137,981	1,313,449
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of property held for redevelopment	6,355,000	24,330,000
Purchase of property for redevelopment	-	(100,000)
Payment of construction in progress costs	(7,262,467)	(8,768,187)
Proceeds of reimbursement of construction in progress costs	1,169,905	-
Payments of inter-agency loans payable	(31,083)	(59,702)
Grant revenue received	101,307	51,208,878
Grant expenses paid	(118,851)	(137,881)
Capital contribution from City of Jersey City	11,729,638	-
Capital grant expenses paid	(61,020,263)	-
Partnership income	700,000	-
Interest paid	(6,542,472)	(6,514,396)
Special assessment interest income	49,600	50,450
Special assessment interest expense	(49,600)	(50,450)
Proceeds from issuance of project notes payable	55,000	1,950,000
Payment of project notes payable	(9,815,000)	(32,200,000)
Proceeds from issuance of bond payable	9,245,000	7,500,000
Premium on debt issuance	726,261	122,114
Cost of debt issuance	(642,753)	(298,082)
Proceeds from special assessment receivable	160,000	160,000
Payment of special assessment bonds payable	(160,000)	(160,000)
Net cash (used) provided by capital and related financing activities	(55,365,483)	37,032,744
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from mortgage loans receivable	8,392	282,087
Interest received	4,892,362	2,929,966
Net cash provided by investing activities	4,900,754	3,212,053
Change in cash and cash equivalents	(50,326,748)	41,558,246
Cash and cash equivalents, January 1	113,797,534	72,239,288
Cash and cash equivalents, December 31	$ 63,470,786	$ 113,797,534

JERSEY CITY REDEVELOPMENT AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	*Restated* 2023
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	$ 279,202	$ 17,243,595
Adjustments to reconcile income from operations to net cash (used) provided by operating activities:		
Depreciation	18,596	19,465
Changes in assets, liabilities and deferred outflows and inflows:		
Accounts receivable	360,019	(132,636)
Leases receivable and deferred inflows	(15,752)	-
Developers escrow	3,339,952	(16,407,534)
Project deposits	(1,971,466)	136,169
Accounts payable	(2,007,425)	329,420
Payroll liabilities	(23,313)	9,848
Compensated absences payable	124,100	17,645
Net pension liability and deferred outflows and inflows	(182,115)	(161,080)
Net OPEB liability and deferred outflows and inflows	331,238	258,557
Net cash provided by operating activities	137,981	1,313,449
Cash and cash equivalents as presented in the statements of net position:		
Unrestricted	$ 21,701,341	$ 65,694,111
Restricted	41,769,445	48,103,423
	$ 63,470,786	$ 113,797,534
NON-CASH OPERATING ACTIVITIES		
Cancellation of accounts payable related to capitalized costs	$ -	$ 814,584
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Amortization of original issue (premium)	(2,887,247)	(2,889,882)
Cancellation of accounts payable related to capitalized costs	-	(814,584)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Jersey City Redevelopment Agency (the "Agency") is a public body corporate and politic of the State of New Jersey. The Agency was created by municipal ordinance on August 16, 1949 pursuant to the provisions of Chapter 306 of the New Jersey Sessions Law of 1949, N.J.S.A. 40:55C-1, for the purpose of carrying out certain urban renewal program activities for City of Jersey City (the "City"). The Agency is empowered to exercise public and essential government functions, including acquisition, condemnation, clearance, renovation and redevelopment of property in designated blighted areas and to carry out redevelopment plans for the City.

The Agency is governed by a Board of Commissioners (the "Board") consisting of seven members, who are appointed by the Governing Body of the City of Jersey City. The Board of Commissioners determines policy actions, approves resolutions and selects an executive director to be responsible for the overall operation of the Agency.

In accordance with the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et. seq.) the Agency is subject to the laws, rules and regulations promulgated for Authorities in the State of New Jersey and reports to the Bureau of Agency Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The Agency includes in its financial statements the primary government and those component units for which the primary government is financially accountable. Component units are legally separate organizations for which the Agency is financially accountable or other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Agency is financially accountable for an organization if the Agency appoints a voting majority of the organization's board, and (1) the Agency is able to significantly influence, the programs or services performed or provided by the organization; or (2) the Agency is legally entitled to or can otherwise access the organization's resources; the Agency is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization, or the Agency is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Agency in that the Agency approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the Agency has no component units. The Agency would be includable as a component unit of the City on the basis of such criteria.

Basis of Financial Statements and Presentation

The accounts of the Agency are organized and operated on the basis of funds. The Agency maintains an Enterprise Fund to account for its operations. The operations are accounted for with a self-balancing set of accounting records that comprise its assets, liabilities, net position, revenues and expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A description of the Agency's fund type it maintains to account for its financial transactions is as follows:

Proprietary Fund Types - This fund type accounts for operations that are organized to be self-supporting and includes Enterprise Funds.

An enterprise fund is used to account for those operations that are financed and operated in a manner similar to a private business or where the entity has decided that the periodic determination of revenues earned, costs incurred and/or net income is appropriate for management accountability purposes.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The Agency's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets, all deferred inflows/outflows, and all liabilities associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Agency 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. Management currently uses estimates to determine the fair market value of property held for redevelopment and the useful life of depreciable assets.

Cash Equivalents and Investments

The Agency's cash and cash equivalents are considered to be cash on hand, certificates of deposit, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments held by the Agency approximate fair value, which is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties. State statutes authorize the Agency to invest in certain types of investments. These investment vehicles are summarized in Note 3.

Restricted Assets

Certain assets are restricted as the result of certain agreements entered into between the Agency and third parties.

Mortgage Loans Receivable

The Agency has issued mortgage loans to secure a portion of the project costs on certain renovation and rehabilitation projects within the City.

Lease Receivable

The Agency accounts for lease receivable arrangements as directed by GASB Statement No. 87, *Leases*. For leases other than short-term leases, the Agency initially measures the lease receivable and a corresponding deferred inflow at the present value of payments expected to be received during the lease term. A deferred inflow of resources is recognized as lease revenue in a systematic and rational manner over the term of the lease, together with interest revenue on the lease receivable.

Capital Assets

Buildings and improvements and vehicles, and equipment are recorded at cost.

Property held for redevelopment is recorded at acquisition cost or, if donated or contributed, are stated at their estimated fair market value on the date of receipt by the Agency.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are expensed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Major outlays for capital assets are capitalized as projects are constructed or acquired by the Agency. All other costs to place the assets in the intended location and condition for use are capitalized in the value of the asset constructed.

Buildings and improvements, vehicles, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings and improvements	50
Vehicles	5
Equipment	3 - 6

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets and liabilities, the statement of financial position reports deferred outflows and inflows of resources. Deferred outflows and inflows of resources represent a decrease or increase of net position that applies to future periods. The Agency reports deferred amounts on net pension liability and other post-employment benefits liabilities. Deferred amounts on net pension and other post-employment benefit liabilities are reported in the Agency-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension and post-employment benefit plans' investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

Project Deposits

Certain monies held by the Agency or third parties on behalf of the Agency in conjunction with a specific project or purpose are reported as project deposits.

Unearned Revenue

Grant funds and related program income, City capital contributions and redeveloper reimbursements received, but not earned at year-end, are reported as deferred revenue.

Compensated Absences

The Agency accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 101, *Compensated Absences.* The liability for compensated absences is attributable to services already rendered and not contingent on a specific event that is outside the control of the employer is accrued as employees earn the rights to the benefits and are more likely than not to use the time off or otherwise be paid in cash or settled through noncash means.

Agency employees are granted varying amounts of vacation and sick leave in accordance with the Agency's personnel policy. Upon termination, employees are paid for accrued vacation. The Agency's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the Agency for the unused sick leave in accordance with the Agency's compensation agreements.

The liability is measured using employees' pay rates in effect as of the financial statement date and includes applicable salary-related payments such as employer share of payroll taxes. In the Statement of Net Position, the liabilities whose average maturities are greater than one year are reported in two components - the amount due within one year and the amount due in more than one year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is divided into three components:

Net Investment in Capital Assets **-** This component of net position consists of capital assets, including restricted capital assets and right-to-use assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are any significant unspent or receivable related debt proceeds at year-end, the portion of the debt attributable to the unspent or receivable proceeds are not included in the calculation of net investment in capital assets. Rather that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - A component of net position where the use of assets is limited through external constraints imposed by creditors (such as through debt convents), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Net Position Flow Assumption

Sometimes the Agency will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted-net position have been depleted before unrestricted - net position is applied.

Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of operations and services, administrative expenses and depreciation on capital assets. The Agency considers transactions pertaining to property held for redevelopment to be operating revenues and expenses since these transactions are connected with its principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Grants received are recognized as revenue when the resources are expended for the purpose specified in the grant agreement. Grant funds received and not yet expended are reported as unearned grant revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncements

GASB Statement No. 99, Omnibus 2022. This Statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The Agency adopted the requirements of the guidance effective January 1, 2024.

GASB Statement No. 100, Accounting Changes and Error Corrections. This Statement provides guidance on the accounting and financial reporting requirements for accounting changes and error corrections. The Agency adopted the requirements of the guidance effective January 1, 2024.

GASB Statement No. 101, Compensated Absences. This Statement updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Agency adopted the requirements of the guidance effective January 1, 2024.

Recently Issued Accounting Pronouncements to be implemented in future years

The Agency is currently reviewing the following for applicability and potential impact on the financial statements:

GASB Statement No. 102, Certain Risk Disclosures. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints.

Effective Date: The requirements of this Statement are effective for periods beginning after June 15, 2024.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Accounting

The Agency annually prepares an operating budget. The budget is prepared in accordance with the Budget Manual for Local Public Authorities as promulgated by the Division of Local Government Services, which differs in certain respects from accounting principles generally accepted in the United States of America. The budget serves as a plan for expenses and the proposed means for financing them. Unexpended appropriations lapse at year-end.

The annual budget is required to be approved at least sixty days prior to the beginning of the fiscal year. The budget must be approved by the Board and submitted to the Division of Local Government Services, Bureau of Agency regulation for approval prior to adoption. The budget adoption and amendments are recorded in the Agency's minutes.

A five-year capital budget is also required to be prepared. Included within the budget are individual projects along with their estimated cost, completion date and source of funding.

The encumbrance method of accounting is utilized by the Agency for budgetary purposes. Under this method purchase orders, contracts and other commitments for expenditures of resources are recorded to reserve a portion of the applicable budget appropriation.

In accordance with accounting principles generally accepted in the United States of America, outstanding encumbrances at year-end for which goods or services are received, are classified to expenses and accounts payable. All other encumbrances in the annual budgeted funds are reversed at year-end and are either cancelled or are included as re-appropriations of fund equity for the subsequent year. Encumbrances at year-end in funds that are budgeted on a project basis automatically carry forward along with their related appropriations and are not subject to annual cancellations and re-appropriations.

NOTE 3. DEPOSITS AND INVESTMENTS

The Agency considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

Deposits

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

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At December 31, 2024 and 2023, the book value of the Agency's deposits were $63,470,786 and $113,797,534, respectively, and bank balances of the Agency's cash and deposits amounted to $63,752,092 and $113,402,393, respectively. The Agency's deposits which are displayed on the statement of net position as "cash and cash equivalents" are categorized as:

	2024	2023
Restricted	$ 41,769,445	$ 48,103,423
Unrestricted	21,701,341	65,694,111
	$ 63,470,786	$ 113,797,534

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 Agency does not have a formal policy for custodial credit risk. As of December 31, 2024 and 2023, the Agency's bank balances of $2,409,522 and $2,288,942, respectively, were exposed to custodial credit risk.

Investments

The Agency is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5 15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Agency or bonds or other obligations of the school districts which are a part of the Agency or school districts located within the Agency, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1 (8a-8e).

As of December 31, 2024 and 2023, the Agency had no investments.

NOTE 4. MORTGAGE LOANS RECEIVABLE

The mortgage loan receivable balances at December 31, 2024 and 2023 consist of mortgage loans on various properties in certain redevelopment areas.

Grove Street 2
Issued to Majestic U.R. LLC on October 15, 2015 for $183,344, with an interest rate of 4.25% per annum. The note provides for monthly payment of principal and interest of $1,135 based on a twenty-year payout. All sums owed on the note are due no later than November 15, 2025.

1 Edward Hart Road
Issued to 1 Edward Hart Road LLC in October 2015 for $250,000 with an interest rate of 3.5%. The note requires monthly payments of interest only up to the earlier of the mortgage securing permanent financing or October 2017 at which time a lump sum payment of the entire unpaid principal balance will be due. Three six-month extensions were subsequently granted and the balance is outstanding and is delinquent at time of the audit.

Journal Square
Issued to Kennedy, LLC on June 2, 2003 for $700,000 as a balloon mortgage payable on June 2, 2033 at interest rates of 1% for years one through five, 3% for years six through fifteen, and 5% for years fifteen through thirty.

MLK Drive
Issued to Jackson Green, LLC on May 29, 2013 for $435,600, interest free. Payment shall be made by the borrower upon the sale of each unit for which the mortgage has been issued. The lien of the mortgage shall be released at closing with respect to each unity sold by the borrower, whether such sale provided proceeds to be applied to the repayment of the mortgage note.

The following is a summary of the Agency's mortgage loans receivable activity for the year ended December 31, 2024:

	Balance December 31, 2023	Issued	Paid	Balance December 31, 2024	Current Portion
Grove Street 2	$ 126,499	$ -	$ 8,392	$ 118,107	$ 8,774
1 Edward Hart Road	250,000	-	-	250,000	-
Journal Square	700,000	-	-	700,000	-
MLK Drive	435,600	-	-	435,600	-
	$ 1,512,099	$ -	$ 8,392	$ 1,503,707	$ 8,774

The following is a summary of the Agency's mortgage loans receivable activity for the year ended December 31, 2023:

	Balance December 31, 2022	Issued	Paid	Balance December 31, 2023	Current Portion
Ocean/Bayview	$ 274,000	$ -	$ 274,000	$ -	$ -
Grove Street 2	134,586	-	7,725	126,499	5,763
1 Edward Hart Road	250,000	-	-	250,000	-
Journal Square	700,000	-	-	700,000	-
MLK Drive	435,600	-	-	435,600	-
	$ 1,794,186	$ -	$ 281,725	$ 1,512,099	$ 5,763

An allowance for doubtful accounts has been established for loans receivable not likely to be collected. At December 31, 2024 and 2023 the allowance for doubtful accounts was $250,000.

NOTE 5. LEASES RECEIVABLE

The Agency has entered several ground leases that are accounted for in accordance with GASB Statement No. 87, *Leases.* The terms of the individual lease arrangements and respective balances of leases receivable and deferred inflows of resources at December 31, 2024 were as follows:

					At December 31, 2024	
Description	Discount Rate	Lease Terms		Average Annual Lease Payments	Leases Receivable	Deferred (Inflows) of Resources
PSE&G	5.00%	03/15/23	04/01/28	$ 95,114	$ 329,640	313,533
Spiniello Companies	4.76%	01/01/24	12/01/25	180,000	178,964	179,319
					$ 508,604	$ 492,852

The amortization of the lease payments expected to be received for the remainder of the lease terms at December 31, 2024 is as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ 269,908	$ 1,892	$ 271,800
2026	96,600	1,320	97,920
2027	105,820	1,892	107,712
2028	36,276	750	37,026
	$ 508,604	$ 5,854	$ 514,458

NOTE 6. CAPITAL ASSETS

The following is a summary of the Agency's capital assets activity for the year ended December 31, 2024:

	Balance December 31, 2023	Additions	Dispositions	Balance December 31, 2024
Capital assets, not being depreciated:				
Property held for redevelopment	$ 134,433,441	$ -	$ (137,500)	$ 134,295,941
Construction in progress	24,358,986	6,092,562	-	30,451,548
Total capital assets, not being depreciated	158,792,427	6,092,562	(137,500)	164,747,489
Capital assets, being depreciated:				
Buildings and improvements	7,269,900	-	-	7,269,900
Vehicles and equipment	35,510	-	-	35,510
Total capital assets, being depreciated	7,305,410	-	-	7,305,410
Less accumulated depreciation for:				
Buildings and improvements	(181,661)	(14,248)	-	(195,909)
Vehicles and equipment	(31,162)	(4,348)	-	(35,510)
Total accumulated depreciation	(212,823)	(18,596)	-	(231,419)
Total capital assets, being depreciated, net	7,092,587	(18,596)	-	7,073,991
Total capital assets, net	$ 165,885,014	$ 6,073,966	$ (137,500)	$ 171,821,480

NOTE 6. CAPITAL ASSETS (Continued)

The following is a summary of the Agency's capital assets activity for the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Dispositions	Balance December 31, 2023
Capital assets, not being depreciated:				
Property held for redevelopment	$ 150,333,441	$ 100,000	$ (16,000,000)	$ 134,433,441
Construction in progress	16,405,383	8,167,686	-	24,573,069
Total capital assets, not being depreciated	166,738,824	8,267,686	(16,000,000)	159,006,510
Capital assets, being depreciated:				
Buildings and improvements	7,269,900	-	-	7,269,900
Vehicles and equipment	35,510	-	-	35,510
Total capital assets, being depreciated	7,305,410	-	-	7,305,410
Less accumulated depreciation for:				
Buildings and improvements	(167,414)	(14,247)	-	(181,661)
Vehicles and equipment	(25,944)	(5,218)	-	(31,162)
Total accumulated depreciation	(193,358)	(19,465)	-	(212,823)
Total capital assets, being depreciated, net	7,112,052	(19,465)	-	7,092,587
Total capital assets, net	$ 173,850,876	$ 8,248,221	$ (16,000,000)	$ 166,099,097

Construction in Progress

Construction in progress includes the Loew's Theatre Redevelopment Project, Pathside Redevelopment Project, and Bayfront Redevelopment Project. The Pathside Redevelopment Project and Bayfront Redevelopment Project have related debt issued and projects are further described in note 7 on bonds and notes payable. The Loew's Theatre Redevelopment Project involves direct funding from the City and passes through the Jersey City Economic Development Corporation (the "JCEDC").

Loew's Theatre Redevelopment Project

The Agency is the fee owner of 54 Journal Square Plaza where a historic theatre structure commonly known as Loew's Jersey City Theatre is located (the "Project Site"). The City, with the Agency as its redevelopment agency, has determined to rehabilitate the Project Site as a catalyst for the economic and artistic renaissance of Journal Square and the entire City, and in furtherance of this, the City and Agency entered into a Cooperation Agreement Journal Square Cultural and Arts Initiative (the "Cooperation Agreement") to provide designated municipal funding to the Agency to aid in the undertaking of the project as a redevelopment project (the "Project"). In order to protect and preserve the Agency's interest in the Project Site and the Project, the City has designated the JCEDC to create certain entities to further the implementation of the Project. The JCEDC created the Loew's Jersey City Project LLC, a New Jersey limited liability company (the "Redeveloper") structured as a joint venture between JCEDC Loew's LLC (the "JCEDC Member"), a wholly owned subsidiary of the JCEDC, and DAE LJC DEV MGR, LLC (the "Managing Member"), an affiliate of Devils Arena Entertainment LLC. As part of the joint venture, the JCEDC Member holds a 90% ownership interest in the Redeveloper and is the limited member, while the Managing Member holds a 90% interest and is the managing member.

The Redeveloper proposes to develop a first-class historic rehabilitation of the Project Site to make the Theatre a premier arts destination in the region, which will include major upgrades and comprehensive renovations to the building, as well as improvements surrounding the site and after rehabilitation, to fully operate and maintain the Theatre and in furtherance thereof the Agency and Redeveloper entered into a ground lease for the Project Site dated January 30, 2024.

NOTE 6. CAPITAL ASSETS (Continued)

Construction in Progress (Continued)

Lowes Theatre Redevelopment Project (Continued)

Additionally, the Agency and Redeveloper entered a Redevelopment Agreement (the “Redevelopment Agreement”) setting forth the terms and conditions for the redevelopment of the Project Site and the rights and responsibilities of the Agency and the Redeveloper with respect to the Project. The Agency, in its capacity as the City’s redevelopment agency, and the Managing Member, entered into a Funding Agreement (the “Funding Agreement”), dated April 1, 2021, as amended July 21, 2023, January 30, 2024 and May 21, 2024, which specifically permits a redevelopment agency to make “capital grants” in connection with projects or redevelopment work that “would not be undertaken but for the provision of financial assistance, or would not be undertaken in its intended scope without the provision of financial assistance” to provide funding for the development costs incurred by Redeveloper or the Managing Member.

To provide additional sources of capital to construct the Project, the City agreed to contribute additional funds to the Agency pursuant to the Cooperation Agreement and permit the Agency to make capital grants to the Project with such funds and in order to provide the Agency with the necessary resources to address possible cost overruns, budget or plan changes, allowances and other contingencies as well as provide certain financial and completion guarantees, the City, in accordance with the provisions of the Redevelopment Law, adopted Ordinance No. 22-111 on January 11, 2023 authorizing the City to provide funding to the Agency with the resources necessary to address contingencies and appropriating $15,000,000 therefor and if necessary authorizing the issuance of up to $15,000,000 bonds or notes of the City to finance the cost thereof pursuant to *N.J.S.A.* 40A:12A-8(f) and 37. To evidence the Agency’s obligations concerning contingencies, the Agency entered into guaranty agreements with JPMorgan Chase Bank, National Association and Wells Fargo Community Investment Holdings, LLC in connection with the Project to guaranty the payment and performance of contingencies, subject in the aggregate $15,000,000. The Agency is also a party to a subsidy agreement between the City and the Agency providing the funding mechanism by the City to fund, pursuant to the Ordinance, the obligations guaranteed by the Agency under the guaranty agreements.

In order to make capital grants to the Project in accordance with the Redevelopment Law and not in contravention of the Tax Credits structure and transaction, the Agency entered into a grant agreement to document the terms and conditions for the granting of funds by the Agency to the JCEDC in the amount of not to exceed $66,520,263 to be used by the JCEDC solely to make a capital contribution to JCEDC Member to be further used by JCEDC Member, together with proceeds from the sale of NJEDA Tax Credits to make a capital contribution to Redeveloper to acquire 90% of the ownership interests in the Redeveloper pursuant to an amended and restated operating agreement, and a contribution agreement among the JCEDC, JCEDC Member and Redeveloper to provide for a portion of the cost of the Project. The Project is currently under construction with an anticipated completion date prior to December 31, 2026. During the year ended December 31, 2024, the Agency utilized $61,020,263 of capital contributions from the City as grant expenses for the Project.

NOTE 7. BONDS AND NOTES PAYABLE

The activity in bonds and notes payable for the year ended December 31, 2024 is summarized as follows:

Description	Balance December 31, 2023	Issuance/ (Refunding)	(Realization) of Premium	(Payments)	Balance December 31, 2024	Current Portion
Bond payable:						
Park Street Improvements						
Redevelopment Project,						
Series 2020 Special Assessment Bonds	$ 2,435,000	$ -	$ -	$ (160,000)	$ 2,275,000	$ 170,000
Bayfront Redevelopment Project,						
Series 2022 Revenue Bonds	54,135,000	-	-	-	54,135,000	-
Add deferred premium on issuance	11,082,991	-	(1,392,627)	-	9,690,364	-
	65,217,991	-	(1,392,627)	-	63,825,364	-
Series 2023 Revenue Bonds	7,500,000	-	-	-	7,500,000	-
Pathside Redevelopment Project,						
Series 2024 Revenue Bonds	-	9,245,000	-	-	9,245,000	140,000
Total bonds payable	75,152,991	9,245,000	(1,392,627)	(160,000)	82,845,364	310,000
Project notes payable:						
Pathside Redevelopment Project,						
Series 2023 Project Note	9,495,000	(9,245,000)	-	(250,000)	-	-
Add deferred premium on issuance	43,267	-	(43,267)	-	-	-
	9,538,267	(9,245,000)	(43,267)	(250,000)	-	-
Series 2024 Project Note	-	-	-	-	-	-
Add deferred premium on issuance	-	95,871	(95,871)	-	-	-
	-	95,871	(95,871)	-	-	-
Bayfront Redevelopment Project,						
Series 2022A Project Note	52,370,000	(52,050,000)	-	(320,000)	-	-
Add deferred premium on issuance	1,291,088	-	(1,291,088)	-	-	-
	53,661,088	(52,050,000)	(1,291,088)	(320,000)	-	-
Series 2023A Project Note	7,930,000	(7,930,000)	-	-	-	-
Add deferred premium on issuance	32,196	-	(32,196)	-	-	-
	7,962,196	(7,930,000)	(32,196)	-	-	-
Series 2023B Project Note	9,570,000	(9,570,000)		-	-	-
Series 2024A Project Note	-	59,980,000	-	-	59,980,000	59,980,000
Add deferred premium on issuance	-	630,390	(32,198)	-	598,192	598,192
	-	60,610,390	(32,198)	-	60,578,192	60,578,192
Series 2024B Project Note	-	9,625,000	-	-	9,625,000	9,625,000
Total project notes payable	80,731,551	(8,463,739)	(1,494,620)	(570,000)	70,203,192	70,203,192
Total bond and notes payable	$ 155,884,542	$ 781,261	$ (2,887,247)	$ (730,000)	$ 153,048,556	$ 70,513,192

NOTE 7. BONDS AND NOTES PAYABLE (Continued)

The activity in notes payable for the year ended December 31, 2023 is summarized as follows:

Description	Balance December 31, 2022	Issuance/ (Refunding)	(Realization) of Premium	(Payments)	Balance December 31, 2023	Current Portion
Bond payable:						
Park Street Improvements Redevelopment Project, Series 2020 Special Assessment Bonds	$ 2,595,000	$ -	$ -	$ (160,000)	$ 2,435,000	$ 160,000
Bayfront Redevelopment Project, Series 2022 Revenue Bond	54,135,000	-	-	-	54,135,000	-
Add deferred premium on issuance	12,475,618	-	(1,392,627)	-	11,082,991	-
	66,610,618	-	(1,392,627)	-	65,217,991	-
Series 2023 Revenue Bond	-	7,500,000	-	-	7,500,000	-
Total bonds payable	69,205,618	7,500,000	(1,392,627)	(160,000)	75,152,991	160,000
Project notes payable:						
Pathside Redevelopment Project, Series 2022 Project Note	9,745,000	(9,495,000)	-	(250,000)	-	-
Pathside Redevelopment Project, Series 2023 Project Note	-	9,495,000	-	-	9,495,000	-
Add deferred premium on issuance	-	89,918	(46,651)	-	43,267	-
	-	9,584,918	(46,651)	-	9,538,267	-
Bayfront Redevelopment Project, Series 2022A Project Note	52,370,000	-	-	-	52,370,000	52,370,000
Add deferred premium on issuance	2,638,311	-	(1,347,223)	-	1,291,088	1,291,088
	55,008,311	-	(1,347,223)	-	53,661,088	53,661,088
Series 2022B Project Note	15,000,000	(15,000,000)	-	-	-	-
Add deferred premium on issuance	4,019	-	(4,019)		-	-
	15,004,019	(15,000,000)	(4,019)	-	-	-
Series 2022C Project Note *	15,930,000	(15,930,000)	-	-	-	-
Add deferred premium on issuance	75,508	-	(75,508)		-	-
	16,005,508	(15,930,000)	(75,508)	-	-	-
Series 2023A Project Note	-	7,930,000	-	-	7,930,000	7,930,000
Add deferred premium on issuance	-	32,196	-	-	32,196	32,196
	-	7,962,196	-	-	7,962,196	7,962,196
Series 2023B Project Note	-	9,570,000		-	9,570,000	9,570,000
Hudson County Community College Project, Series 2022 Project Note	16,570,000	(16,570,000)	-	-	-	-
Add deferred premium on issuance	23,854	-	(23,854)	-	-	-
	16,593,854	(16,570,000)	(23,854)	-	-	-
Series 2023 Project Note	-	16,950,000	-	(16,950,000)	-	-
Total project notes payable	112,356,692	(12,927,886)	(1,497,255)	(17,200,000)	80,731,551	71,193,284
Total bond and notes payable	$ 181,562,310	$ (5,427,886)	$ (2,889,882)	$ (17,360,000)	$ 155,884,542	$ 71,353,284

* Issued to refund project note that had not matured as of year end, whereby temporarily doubling debt obligation.

NOTE 7. BONDS AND NOTES PAYABLE (Continued)

Park Street Improvements Special Assessment Bonds

On November 19, 2020, the Agency issued its $2,900,000 (City Guaranteed) obligations for the Park Street Improvements Redevelopment Project, consisting of the $2,520,000 Special Assessment Bonds, Series 2020 (Tax-Exempt) and $380,000 Special Assessment Bonds, Series 2020 (Federally Taxable). The Special Assessment Bonds, Series 2020 (Tax-Exempt) were issued to provide funds to: (i) pay costs and expenses associated with the Park Street Improvements; (ii) fund a debt service reserve fund of $262,800 and; (iii) pay costs of issuance. The Special Assessment Bonds, Series 2020 (Federally Taxable) were issued to provide funds to: (i) fund the post remediation soil obligations escrow, and (ii) pay costs of issuance. The obligations were issued pursuant the Local Redevelopment and Housing Law and a resolution of the Agency adopted on July 21, 2020, entitled “Resolution of the Jersey City Redevelopment Agency Authorizing the Issuance of Redevelopment Area Bonds in an Aggregate Principal Amount Not to Exceed $2,900,000 Approving Form of Trust Indenture, Special Assessment Agreement and Subsidy Agreement, and Determining Certain Other Matters in Connection Therewith, in Connection with the Redevelopment of Jersey Avenue Park Redevelopment Area”.

The balance of the Series 2020 Special Assessment Bonds (Tax-Exempt) at December 31, 2024 consist of (i) serial bonds in the amount of 525,000, bearing interest at 4.00% maturing in annual amounts ranging from $170,000 in 2025 to $180,000 in 2027 (ii) $595,000 term bonds bearing interest at 4.00% a year, subject to annual mandatory sinking fund redemption from 2028 to 2030 (final maturity) in varying amounts ranging from $190,000 to $205,000 (iii) $1,155,000 term bonds bearing interest at 4.00% a year subject to annual mandatory sinking fund redemption from 2031 to 2035 (final maturity) in varying amounts ranging from $215,000 to $250,000. The bonds were issued at a premium of $304,509. The debt service requirements on these bonds follow:

Year ending December 31,	Principal	Interest (4.00%)	Total
2025	$ 170,000	$ 92,800	$ 262,800
2026	175,000	86,000	261,000
2027	180,000	79,000	259,000
2028	190,000	70,000	260,000
2029	200,000	62,400	262,400
2030 - 2035	1,360,000	196,600	1,556,600
	$ 2,275,000	$ 586,800	$ 2,861,800

The bonds were issued by the Agency as special, limited obligations payable solely from pledged revenues and amounts held under the related bond indenture. Debt service on the bonds is intended to be paid primarily from special assessment payments made by the obligated redevelopment entities, collectively referred to as the “Emerson Properties” and “Coles Development” pursuant to special assessment agreements entered into in connection with the project. The special assessment payments are assigned to the bond trustee and are payable directly to the trustee. Such payments are secured by municipal liens on the benefited property, on parity with other municipal liens and senior to subsequently recorded non-municipal liens.

In addition to the special assessment payment stream, the bonds are secured by a pledge of certain revenues under the indenture, including special assessment payments, specified investment earnings, and certain payments, if any, received from the City under the subsidy agreement. The indenture also establishes a debt service reserve fund to be maintained at the required reserve level. Amounts on deposit in the debt service reserve fund are available to pay debt service to the extent amounts in the debt service fund are insufficient. Under the related subsidy agreement, the City is obligated to provide amounts necessary to cure any deficiency in funds available for the payment of principal and interest on the bonds when due. The City’s payment obligation under the subsidy agreement constitutes a valid and binding general obligation of the city. The city is obligated to levy ad valorem taxes, without limitation as to rate or amount, to pay amounts due under the subsidy agreement.

NOTE 7. BONDS AND NOTES PAYABLE (Continued)

Park Street Improvements Special Assessment Bonds (Continued)

The City adopted a redevelopment plan for the Jersey Avenue Park Redevelopment Area and on October 28, 2019 entered into a redevelopment agreement with Emerson Properties relating to the construction of a multi-phased project (the "Emerson Project"). On July 18, 2018, the Jersey City Planning Board granted Emerson Properties site plan approval to construct the first phase of the Emerson Project and preliminary major site plan approval for the balance of the Emerson Project. The Emerson Project includes the construction of a new park along Coles Street (the "Coles Street Park"), which will be dedicated to the City upon its completion. Emerson Properties and related redevelopment entities of Coles Development entered into an escrow agreement with the Agency on January 27, 2020 to facilitate the development of the Coles Street Park. In order to construct the Coles Street Park and otherwise improve the infrastructure in the surrounding area, Emerson Properties agreed to construct improvements on and to Coles Street to alleviate chronic flooding and other issues, including, construction of water and sewer infrastructure, roadway improvements, sidewalks, drainage facilities, and similar improvements (the "Park Street Improvements"). Under the Redevelopment Agreement and escrow agreement, the Agency issued the Park Street Improvements Special Assessment Bonds, Series 2020 to fund a portion of the costs associated with the construction of the Park Street Improvements. Moreover, prior to completing the Coles Street Park, Emerson Properties will remediate the environmental condition of the Coles Street Park Property.

Upon the conveyance of the Coles Street Park Property to the City, the City will be responsible for costs associated with ongoing inspections and/or monitoring, applicable administrative fees, and biennial certifications and other reporting regarding the environmental condition of the property. A portion of the proceeds of the Taxable Bonds are set aside in a fund, held by the trustee for the purpose of paying such costs.

Pathside Redevelopment Project

On May 31, 2018 the Agency issued its $10,000,000 (City Guaranteed) Project Note Series 2018 (Tax Exempt) (the "Series 2018 Project Note") for the Pathside Redevelopment Project to provide funds to (i) finance the acquisition and improvement of an approximately 58,000 square foot building in the City of Jersey City for the purpose of developing a regional museum; (ii) finance costs associated with a museum development consultant; (iii) pay costs of issuance; and (iii) pay capitalized interest. The 2018 Project Note was issued pursuant the Local Redevelopment and Housing Law and a resolution of the Agency adopted on November 21, 2017, entitled "Resolution of the Board of Commissioners of the Jersey City Redevelopment Agency Authorizing the Issuance of Revenue Bonds, Series 2017 (Tax-Exempt) (Pathside Redevelopment Project) (City Guaranteed), for the acquisition of Block 9501, Lot 22 (25 Pathside)."

On May 18, 2022 the Agency issued its $10,000,000 (City Guaranteed) Project Note Series 2022 (Federally Taxable) (the "Series 2021 Project Note") for the Pathside Redevelopment Project to provide funds to (i) refund, at maturity, the Agency's $10,000,000 Project Note Series 2021; and (ii) pay costs of issuance. The original $10,000,000 Project Note Series 2018 for the Pathside Redevelopment Project was issued on May 31, 2018. The 2022 Project Note was paid in full on May 30, 2023 and the City Guaranty on this note was terminated.

On May 24, 2023 the Agency issued its $9,495,000 (City Guaranteed) Project Note Series 2023 (Federally Taxable) (the "Series 2023 Project Note") for the Pathside Redevelopment Project to provide funds to (i) refund, at maturity, a portion of the Agency's $9,745,000 Project Note (Series 2022); and (ii) pay costs of issuance. The original $10,000,000 Project Note Series 2018 for the Pathside Redevelopment Project was issued on May 31, 2018. The premium of $89,918 yielded from the note was fully realized and utilized for costs of issuance. The debt service on this note was paid in full on May 24, 2024, in the amounts and interest rates set forth and the City Guaranty on this note was terminated:

	Interest Rate	Principal	Interest	Total
Series 2023	6.50%	$ 9,495,000	$ 617,175	$ 10,112,175

NOTE 7. BONDS AND NOTES PAYABLE (Continued)

Pathside Redevelopment Project (Continued)

On May 24, 2024 the Agency issued its $9,245,000 (City Guaranteed) Project Note Series 2024 (Federally Taxable) (the "Series 2024 Project Note") for the Pathside Redevelopment Project to provide funds to (i) refund, at maturity, a portion of the Agency's $9,495,000 Project Note (Series 2023); and (ii) pay costs of issuance. The original $10,000,000 Project Note Series 2018 for the Pathside Redevelopment Project was issued on May 31, 2018. The premium of $95,871 yielded from the note was fully realized and utilized for costs of issuance and $5,000 in principal of the Series 2023 Project Note due May 24, 2024. The debt service on this note was paid in full on December 31, 2024, in the amounts and interest rates set forth and the City Guaranty on this note was terminated:

	Interest Rate	Principal	Interest	Total
Series 2024	7.25%	$ 9,245,000	$ 405,881	$ 9,650,881

On December 5, 2024, the Agency issued its $9,245,000 (City Guaranteed) Revenue Bonds Series 2024 (Federally Taxable) (the "Series 2024 Revenue Bonds") for the Pathside Redevelopment Project to provide funds to (i) refund, at maturity, a portion of the Agency's $9,245,000 Project Note (Series 2024); and (ii) pay costs of issuance. The debt service requirements on these bonds follow:

Year ending December 31,	Principal	Interest (4.82 - 5.64%)	Total
2025	$ 140,000	$ 502,163	$ 642,163
2026	140,000	500,988	640,988
2027	145,000	494,240	639,240
2028	155,000	487,236	642,236
2029	160,000	479,703	639,703
2030 - 2054	8,505,000	7,487,705	15,992,705
	$ 9,245,000	$ 9,952,035	$ 19,197,035

The Series 2024 Revenue Bonds are special, limited obligation of the Agency, secured by a pledge by the Agency of certain funds and accounts, including revenues of the Agency. The Series 2024 Revenue Bonds are also entitled to the benefits of a Subsidy Agreement dated as of May 1, 2018 by and between the Agency and the City. Pursuant to the Subsidy Agreement, the City is obligated to make any required payments to the Agency out of the first funds becoming legally available to the City and to provide the funds for such payments to the Agency, if not otherwise available, from the levy of ad valorem taxes upon all the taxable real property in the City without limitation as to rate or amount. Due to the fact that the Pathside Redevelopment Project continues to be in the design development stage, and is several years from the estimated completion date, the City has decided to include the annual debt service on the Series 2024 Revenue Bonds in their municipal budget each year. This allows the debt service to be paid for without having to draw on the subsidy agreement. During 2024, the City funded $245,000 of $250,000 required debt service payment through their municipal budget, and the remaining $5,000 was funded by premium Series 2024 Project Note issued May 24, 2024.

Since the Agency issued the Series 2018 Project Note, it has acquired title to the facility and maintained the building to protect it against further deterioration. Thereafter, the Agency commenced efforts to develop the facility into a museum of regional and national significance. During the development process, the Agency identified and entered into agreements in 2021 and 2022 with an international cultural partner, Centre national d'art et de culture Georges Pompidou, to develop the Centre Pompidou Museum in Jersey City ("CPJC") and secured significant financial commitments from the State of New Jersey to further the development of such project. However, in early 2024, the State withdrew such commitments requiring the Agency to identify a less expensive alternative to develop the CPJC at a different location within the Journal Square area, which it has successfully done. As a result, the Agency is now considering alternative uses for the facility to further the Agency's mission to facilitate the redevelopment of the Journal Square area through, among other things, the rehabilitation of the facility.

NOTE 7. BONDS AND NOTES PAYABLE (Continued)

Pathside Redevelopment Project (Continued)

After the State withdrew commitments, it allowed the Agency to utilize $6,000,000 of the original $24,000,000 New Jersey State Council on the Arts Grant for allowable costs incurred per the Grant Agreement.

Due to this reduction in the Pathside Redevelopment Project funding sources, on September 25, 2024 the City Council approved City Ordinance 24-086 which approved a thirty year tax exemption for a mixed-use residential project with cultural, educational and arts spaces and authorizing a Financial Agreement with 808 Pavonia Owners Urban Renewal LLC and 808 Pavonia II Owner Urban Renewal LLC. Additionally, within the Ordinance and corresponding Redevelopment Agreement with these entities, includes the requirement to construct public infrastructure improvements, and approximately 85,000 gross square feet of indoor space which includes approximately 10,000 square feet of cellar space and, in addition, approximately 14,600 square feet of outdoor space for the development of a sculpture garden and deck to be transferred to the City or Agency for nominal consideration and for development of a museum, gallery, educational, or other cultural arts space.

Upon passage of the Ordinance, the City and Agency intended to construct the museum at 808 Pavonia Avenue rather than the Pathside Building. At this time the Pathside Building has remained empty. The City Council passed Resolution 24-864 urging the Mayor and Agency to use the Pathside Building as a community recreation center.

On March 17, 2026 the Agency's Board of Commissioners passed a resolution terminating its cultural arts implementation agreement with the Centre national d'art et de culture Georges Pompidou for cultural arts project.

Bayfront Redevelopment Project

On January 11, 2022, the Agency issued its $121,505,000 (City Guaranteed) obligations for the Bayfront Redevelopment Project, consisting of the $54,135,000 Revenue Bond, Series 2022 (Tax-Exempt) (the "Series 2022 Bond"); $52,370,000 Project Note, Series 2022A (Tax Exempt) (the "Series 2022A Project Note"); and $15,000,000 Project Note, Series 2022B (Federally Taxable) (the "Series 2022B Project Note"). The obligations were issued to provide funds to: (i) finance the acquisition of certain properties within the area of the City known as the Bayfront Redevelopment Area, (collectively, the "Bayfront"), from the City; (ii) pay additional costs of the redevelopment project; (iii) pay capitalized interest; and (iv) pay costs of issuance. The debt issuance yielded a premium of $17,866,530, and $12,622,920 of obligation issue proceeds were restricted for future interest or capitalized interest. The obligations were issued pursuant the Local Redevelopment and Housing Law and a resolution of the Agency adopted on December 21, 2021, entitled "Resolution of the Board of Commissioners of the Jersey City Redevelopment Agency Authorizing the Issuance of Revenue Bonds and/or Project Notes in connection with the Bayfront Redevelopment Project located at Block 21901.01; Lots 1 through 9, and determining certain other matters related thereto, within the Bayfront Redevelopment Area."

The Series 2022 Bond (Tax-Exempt) in the amount of $54,135,000 bears an interest rate of 4.00% a year due bi-annually with no principal amounts due until final maturity on December 15, 2031, whereby the entire principal of $54,135,000 is due. The premium yielded allocated from the Series 2022 Bond was $13,825,693 of which $2,742,702 has been realized and $11,082,991 remains unrealized as of December 31, 2024. The bond issue proceeds the debt service requirements on this bond follows:

Year ending December 31,	Principal	Interest (4.00%)	Total	Realization of Premium
2025	$ -	$ 2,165,400	$ 2,165,400	$ (1,392,627)
2026	-	2,165,400	2,165,400	(1,392,627)
2027	-	2,165,400	2,165,400	(1,392,627)
2028	-	2,165,400	2,165,400	(1,392,627)
2029 - 2031	54,135,000	6,496,200	60,631,200	(4,119,856)
	$ 54,135,000	$ 15,157,800	$ 69,292,800	$ (9,690,364)

$6,339,810 of the Series 2022 Bond issue proceeds were restricted and utilized for interest.

NOTE 7. BONDS AND NOTES PAYABLE (Continued)

Bayfront Redevelopment Project (Continued)

The Series 2022A Project Note (Tax Exempt) in the amount of $52,370,000 at an interest rate of 4.00% a year due bi-annually with no principal amounts due until final maturity, was paid on December 15, 2024 and the City Guaranty on this note was terminated. The premium of $3,944,368 yielded from the note was fully realized and utilized for interest. $6,133,109 of the Series 2022A Project Note issue proceeds were restricted and utilized for interest.

The Series 2022B Project Note (Federally Taxable) in the amount of $15,150,000 at an interest rate of 1.00% a year was paid in full on January 11, 2023 and the City Guaranty on this note was terminated. The premium of $96,450 yielded from the Series 2022B Project Note was fully realized and utilized for interest. $150,000 of the Series 2022B Project Note issue proceeds were restricted and utilized for interest.

On December 29, 2022, the Agency issued its $15,930,000 (City Guaranteed) Project Note, Series 2022C (Federally Taxable) (the "Series 2022C Project Note") for the Bayfront Redevelopment Project. The note was issued to provide funds to: (i) refund, at maturity, the Agency's $15,000,000 Series 2022B Project Note (ii) pay capitalized interest; and (iii) pay costs of issuance. The debt issuance yielded a premium of $75,508, and $873,716 of bond issue proceeds were restricted for future interest or capitalized interest. As the Series 2022B Project Note had not matured as of December 31, 2023, the debt obligation was temporarily doubled until maturity on January 11, 2023. The Series 2022C Project Note at an interest rate of 5.500% a year was paid in full on December 28, 2023 and the City Guaranty on this note was terminated. The premium of $75,508 yielded from the Series 2022C Project Note was fully realized and utilized for interest. $873,716 of the Series 2022C Project Note issue proceeds were restricted and utilized for interest.

On December 21, 2023, the Agency issued its $25,000,000 (City Guaranteed) obligations for the Bayfront Redevelopment Project, consisting of the $7,930,000 Project Note, Series 2023A (Tax Exempt) (the "Series 2023A Project Note"); $9,570,000 Project Note, Series 2023B (Federally Taxable) (the "Series 2023B Project Note"); and $7,500,000 Revenue Bond, Series 2023 (Federally Taxable) (the "Series 2023 Bond").

The Series 2023A Project Note (Tax Exempt) in the amount of $7,930,000 was issued to provide funds to: (i) obtain $7,575,399 new money; (ii) pay capitalized interest of $310,151; and (iii) pay $76,646 in costs of issuance. The Series 2023A Project Note, at an interest rate of 3.570% a year was paid in full on December 13, 2024 and the City Guaranty on this note was terminated. The premium of $32,196 yielded from the Series 2023A Project Note was fully realized. $310,151 of the Series 2023A Project Note issue proceeds were restricted and used for interest.

The Series 2023B Project Note (Federally Taxable) in the amount of $9,570,000 was issued to provide funds to: (i) refund an $8,947,375 portion of Series 2022C Project Note (ii) pay capitalized interest of $528,689; and (iii) pay $93,936 in costs of issuance. The Series 2023B Project Note, at an interest rate of 5.65% a year was paid in full on December 13, 2024 and the City Guaranty on this note was terminated. $528,689 of the Series 2023B Project Note issue proceeds were restricted and utilized for interest.

NOTE 7. BONDS AND NOTES PAYABLE (Continued)

Bayfront Redevelopment Project (Continued)

The Series 2023 Bonds (Federally Taxable) in the amount of $7,500,000 were issued to permanently finance the remaining $6,982,625 of the Series 2022C Project Note; (ii) pay capitalized interest of $420,375, and (iii) pay $97,000 in costs of issuance. The Series 2023 Bond, bears an interest rate of 5.70% a year, yielded no premium, and matures on December 15, 2033. The debt service requirements on this bond follows:

Year ending December 31,	Principal	Interest (5.70%)	Total
2025	$ -	$ 420,375	$ 420,375
2026	-	427,500	427,500
2027	-	427,500	427,500
2028	-	427,500	427,500
2029	-	427,500	427,500
2030 - 2033	7,500,000	1,710,000	9,210,000
	$ 7,500,000	$ 3,840,375	$ 11,340,375

$420,375 of the Series 2023 Bond issue proceeds were restricted and utilized for interest as of December 31, 2024.

On November 26, 2024, the Agency issued its $69,605,000 (City Guaranteed) obligations for the Bayfront Redevelopment Project, consisting of the $59,980,000 Project Note, Series 2024A (Tax Exempt) (the “Series 2024A Project Note”) and $9,625,000 Project Note, Series 2024B (Federally Taxable) (the “Series 2024B Project Note.

The Series 2024A Project Note (Tax Exempt) in the amount of $59,980,000 was issued to provide funds to: (i) refund $52,370,000 Series 2022A Project Note, (ii) refund $7,930,000 Series 2023A Project Note, and (iii) pay costs of issuance. The Series 2024A Project Note, bears an interest rate of 4.50% a year, yielded a premium of $630,390, and matures on December 11, 2025. The premium of $630,390 was utilized to pay costs of issuance and $260,000 in principal of the Series 2022A Project Note due December 15, 2024.

The Series 2024B Project Note (Federally Taxable) in the amount of $9,625,000 was issued to provide funds to: (i) currently refund the Agency’s $9,570,000 Series 2023B Project Note, and (ii) pay costs of issuance. The Series 2024B Project Note, bears an interest rate of 4.76% a year and matures on December 11, 2025.

The $69,605,000 (City Guaranteed) obligations for the Bayfront Redevelopment Project, consisting of the Series 2024A and Series 2024B Project Notes are special, limited obligations of the Agency, secured by a pledge by the Agency of certain funds and accounts, including revenues of the Agency. The obligations are also entitled to the benefits of a Subsidy Agreement dated as of January 1, 2022 by and between the Agency and the City. Pursuant to the Subsidy Agreement, the City is obligated to make any required payments to the Agency out of the first funds becoming legally available to the City and to provide the funds for such payments to the Agency, if not otherwise available, from the levy of ad valorem taxes upon all the taxable real property in the City without limitation as to rate or amount. During 2024, a principal debt service payment in conjunction with interest was due and the city did not include annual debt service on the Project Note in their municipal budget. The Agency utilized $260,000 of premium proceeds of Series 2024A Project Note (Tax Exempt) to pay principal of the Series 2022A Project Note due December 15, 2024.

The City and the Agency have entered into a cooperation agreement pursuant to which the Agency is authorized to oversee and manage the remaining environmental responsibilities of the Bayfront area and procure all necessary professionals. The Agency is committed to ensuring that development of Bayfront is environmentally feasible and most importantly, that it is safe for future residents. There are continuing rights and obligations of both the previous owner, Honeywell, and the City that are set forth in an environmental agreement that sets forth among other things that Honeywell continues to remain solely responsible for chromium remedy. A court appointed special master continues to have oversight and holds regular status updates regarding this site.

NOTE 7. BONDS AND NOTES PAYABLE (Continued)

Bayfront Redevelopment Project (Continued)

On March 12, 2008, the City adopted a redevelopment plan known as the Bayfront I Redevelopment Plan, which was then subsequently amended and restated on February 24, 2021 to effectuate and regulate the redevelopment of Bayfront. On June 27, 2018, via Resolution 18-609, the City determined to purchase the properties within Bayfront in order to increase affordable housing and pursue redevelopment in a way that best serves the interests of the City and the community. The City has a minimum requirement of 20% affordable and an aggregate goal of 35% affordable and workforce housing for the development parcels.

On October 10, 2018, the City adopted a bond ordinance authorizing the execution of a purchase and sale agreement with Honeywell, and further authorizing the issuance of up to $170,000,000 in bonds or notes to finance, amongst other things, the costs of the acquisition of the development parcels, the demolition of certain structures located thereon and the construction of the open space areas and certain public infrastructure improvements. Under the purchase agreement, the purchase price for the development parcels was $94.4 million, of which $4.4 million was allocated to the cost of demolition. The City issued its Series 2018H Notes on December 6, 2018 to finance payment of the $9 million purchase price deposit and $4.4 million in demolition costs. On January 14, 2019, the City issued its Series 2019A Notes and, together with the Series 2018H

Notes, to finance payment of the balance of the purchase price ($81 million) and certain additional expenses of the Bayfront Redevelopment Project.

On January 15, 2019, the City became fee simple title owner to the development parcels. In the future, the City will become the fee simple title owner to an additional, approximately 24 acres of property, which will be donated to the City for $1, for open space purposes. It is presently expected that the City will simply retain ownership of the Open Space Lots once they are acquired from the current owner.

The Redevelopment Project is being undertaken, in multiple phases over many years, through request for proposal processes. The Agency, as the redevelopment entity responsible for implementing the Redevelopment Plan, expects to enter into redevelopment agreements from time to time with private redevelopers for the redevelopment of the Development Parcels. The Agency used the proceeds of the obligations to purchase the development parcels from the City and raise additional funds for additional infrastructure costs. The City will use the sale proceeds, together with other City funds, to pay off the related outstanding notes.

The Agency, in turn, will sell the Development Parcels to redevelopers in accordance with the aforementioned redevelopment agreements, and use the sale proceeds to pay off the obligations that finance the related property acquisition and infrastructure improvements.

On August 21, 2019, the Agency received proposals for the Acquisition and Development of the Phase I Development Area within Bayfront. The City and the Agency selected two developers and once necessary agreements are finalized, the Agency ultimately expects to convey approximately 5.74 acres to the developers, comprising about 8% of the overall Development Parcels acreage. On December 11, 2025, the Agency sold the first development parcel to Bayfront Partners 32 Urban Renewal L.P., and related entities. The development of this parcel is currently underway. The Agency is preparing for the two developers the necessary infrastructure for the project in order to meet the goals of the Redevelopment Plan.

NOTE 7. BONDS AND NOTES PAYABLE (Continued)

Hudson County Community College Project

On March 16, 2022, the Agency issued its $16,570,000 (City Guaranteed) Project Note, Series 2022 (Federally Taxable) (the "Series 2022 Project Note") for the Hudson County Community College Project. The project note was issued to provide funds to i) finance the acquisition of property from the Hudson County Community College (the "College"), (ii) finance Agency costs associated with identifying prospective redevelopers of property; (iii) pay certain capitalized interest; and (iv) pay costs of issuance. The debt issuance yielded a premium of $114,499, and $331,400 of bond proceeds were restricted for future interest or capitalized interest. The obligations were issued pursuant the Local Redevelopment and Housing Law and a resolution of the Agency adopted on December 21, 2021, entitled "Resolution of the Board of Commissioners of the Jersey City Redevelopment Agency Authorizing the Issuance of Revenue Bonds and/or Project Notes in connection with the acquisition of property from the Hudson County Community College located at Block 9501, Lot 21, commonly known as 68-74 Sip Avenue and Block 10602, Lots 10 & 16, commonly known as 164-168 Sip Avenue, and determining certain other matters related thereto within the Journal Square 2060 Redevelopment Area."

The Series 2022 Project Note (Federally Taxable) in the amount of $16,570,000 at an interest rate of 2.00% a year and was paid in full on March 16, 2023 and the City Guaranty on this note was terminated. The premium of $114,499 yielded from the Series 2022 Project Note was realized. $331,400 of the Series 2022 Project Note issue proceeds were restricted and used for interest.

The City designated properties in the Journal Square area as areas in need of rehabilitation and redevelopment known as the Journal Square 2060 Redevelopment Area and adopted a redevelopment plan. The redevelopment plan provides for a transit-oriented development of new housing, offices, commercial and public open spaces, and arts-related uses within walking distance to Journal Square, and transit facilities.

The Agency used the proceeds of the project note to acquire the properties located at 68-74 and 164-168 Sip Avenue (together, the "Property") from the Hudson County Community College (the "College"). The College and Agency have entered into a purchase and sale agreement for the Property for the purchase price of $16,000,000. The Agency plans to identify redevelopers to redevelop the area with mixed-use, retail/residential and affordable housing projects, and anticipates selling the Property to said redevelopers for redevelopment and to retire the debt from the project note with the proceeds from the sale of the Property.

On March 15, 2023, the Agency issued its $16,950,000 (City Guaranteed) Project Note, Series 2023 (Federally Taxable) (the "Series 2023 Project Note") for the Hudson County Community College Project to provide funds to (i) refund, at maturity, $16,570,000 of Series 2022 Project Note; and (ii) pay capitalized of interest of $304,535; and (iii) pay $75,465 in costs of issuance. The Series 2023 Project Note at an interest rate of 2.390% a year was paid in full on July 15, 2023 and the City Guaranty on this note was terminated. $304,535 of the Series 2023 Project Note issue proceeds were restricted and used for interest.

On July 14, 2023, the City of Jersey City issued bond anticipation notes and paid the Agency's $16,950,000 Series 2023 Project Note (Hudson County Community College Project) and the City Guaranty was terminated. On July 24, 2023, the Agency adopted a resolution authorizing the sale and transfer of all rights and obligations of the Hudson County Community College Project to the City of Jersey City in exchange for payment in full of the Agency's $16,950,000 Series 2023 Project Note plus $1.

NOTE 8. EMPLOYEE RETIREMENT SYSTEM

Substantially all full-time Agency employees participate in the Public Employees Retirement System (PERS) which is a multiple employer plan sponsored and administered by the State of New Jersey. The PERS system is a cost-sharing contributory defined benefit public employee retirement system.

The PERS was established in January 1955 under provisions of N.J.S.A. 43:15A and provides coverage to substantially all full time employees of the Agency provided the employee is not a member of another State administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007.
2	Employees eligible for enrollment after July 1, 2007 but before November 2, 2008
3	Employees eligible for enrollment after November 2, 2008 but before May 22, 2010
4	Employees eligible for enrollment after May 22, 2010 but before June 28, 2011
5	Employees eligible for enrollment after June 28, 2011

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

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of several State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The State or local government employers do not appropriate funds to SACT.

The State also administers the Pension Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. The cost of living increases for PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Agency employees who are not eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) - established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain District employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

According to state law, all obligations of PERS will be assumed by the State of New Jersey should the PERS be terminated.

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the PERS. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

NOTE 8. EMPLOYEE RETIREMENT SYSTEM (Continued)

Contribution Requirements

For DCRP employee contributions are based on percentages of 5.50% 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.

For PERS, the contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in fiscal year 2012. The member contribution increased to the final rate 7.5% on July 1, 2018. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefit.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of all retirement systems.

The Agency's and employees' contributions to PERS normal pension $171,589, $158,836, and $202,958, for the years ended December 31, 2024, 2023, and 2022, respectively.

Liability

GASB Statement No. 68, *Accounting and Financial Reporting for Pension* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date – an amendment of GASB No. 68* require participating employers in pension plans to recognize their proportionate share of their collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

At December 31, 2024 and 2023, the Agency's net pension liability for PERS was $1,713,474 and $1,721,357, respectively.

The net pension liability at December 31, 2024 and 2023 was measured as of June 30, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, the Agency's PERS proportion was 0.0126%, which was an increase of 0.0007% from its proportion measured as of June 30, 2023. At June 30, 2023, the Agency's PERS proportion was 0.0119%, which was a decrease of -0.0042% from its proportion measured as of June 30, 2022.

NOTE 8. EMPLOYEE RETIREMENT SYSTEM (Continued)

Liability (Continued)

For the years ended December 31, 2024 and 2023, the Agency recognized PERS pension expense of ($10,526) and ($2,244), respectively. At December 31, 2024 and 2023, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and accrual experience	$ 29,762	$ -	$ 9,422	$ -
Changes in assumptions	-	17,366	-	100,541
Net differences between projected and actual investment earnings on pension plan investments	-	79,449	7,927	-
Changes in proportion	-	239,433	-	397,526
Total	$ 29,762	$ 336,248	$ 17,349	$ 498,067

Amounts reported at December 31, 2024 as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,	
2025	$ (138,399)
2026	(15,220)
2027	(147,043)
2028	(8,047)
2029	2,223
	$ (306,486)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

NOTE 8. EMPLOYEE RETIREMENT SYSTEM (Continued)

Actuarial Assumptions (Continued)

These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

	July 1, 2023	July 1, 2022
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases	2.75 - 6.55% based on years of service	2.75 - 6.55% based on years of service
Investment Rate of Return	7.00%	7.00%

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 is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 and 2022 valuations were respectively based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024 and 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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.

NOTE 8. EMPLOYEE RETIREMENT SYSTEM (Continued)

Long-Term Expected Rate of Return (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS target asset allocations as of June 30, 2024 and 2023 are summarized in the following table:

	2024		2023	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%	28.00%	8.98%
Private Equity	13.00%	12.40%	13.00%	12.50%
Non U.S. Developed Market Equity	12.75%	8.85%	12.75%	9.22%
Real Assets	8.00%	10.95%	8.00%	8.58%
Private Credit	8.00%	8.90%	8.00%	9.20%
Investment Grade Credit	7.00%	5.37%	7.00%	5.19%
Emerging Market Equity	5.50%	10.66%	5.50%	11.13%
High Yield	4.50%	6.74%	4.50%	6.97%
U.S. Treasuries	4.00%	3.57%	4.00%	3.31%
Real Estate	3.00%	8.20%	3.00%	8.40%
Risk Mitigation Strategies	3.00%	7.10%	3.00%	6.21%
Cash Equivalents	2.00%	3.57%	2.00%	3.31%
International Small Cap Equity	1.25%	8.85%	1.25%	9.22%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024 and 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 non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 8. EMPLOYEE RETIREMENT SYSTEM (Continued)

Sensitivity of the Agency's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Agency's proportionate share of the net pension liability as of December 31, 2024 and 2023, respectively, 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% lower or 1% higher than the current rate:

	2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Agency's proportionate share of PERS net pension liability	$ 2,276,786	$ 1,713,474	$ 1,234,099

	2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Agency's proportionate share of PERS net pension liability	$ 2,240,841	$ 1,721,357	$ 1,279,208

Pension Plan fiduciary net position

Detailed information about the pension plans' fiduciary net position are available in the separately issued financial reports. These reports may be accessed via the New Jersey Division of Pension and Benefits website at www.state.nj.us/treasury/pensions.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS PLAN

In addition to the pension benefits, the Agency provides post-retirement health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost. The Agency adopted the provisions of N.J.S.A. 52:14-17:38 and adheres to the rules and regulations promulgated by the State Health Benefits Commission.

Chapter 48, P.L. 1999, provides eligible participating local employers considerable flexibility in managing their post-retirement medical costs. It also brings State Health Benefits Program (SHBP) eligibility standards for employer-paid coverage into alignment with local government laws. Adoption of this resolution does not free the Agency of the obligation to pay for post-retirement medical benefits of retirees or employees who qualified for those payments under any Chapter 88 or Chapter 48 resolution previously adopted by the governing body. The resolution remains in effect until properly amended or revoked with the State Health Benefits Program. The Agency recognizes that, while it remains in the State Health Benefits Program, it is responsible for providing the payment for post-retirement medical coverage as listed in the Chapter 48 Resolution Addendum for all employees who qualify for this coverage while this resolution is in force.

Plan Description

The Agency contributes to the State Health Benefit Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14- 17.25 et seq., to provide health benefits to State employees, retirees, and their dependents.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

Plan Description (Continued)

Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In order to receive health benefits, retirees must have been enrolled in the pension system for 25 years. All active full-time employees are covered by the SHBP.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295, or by visiting their website www.state.nj.us/treasury/pensions.

Employees who had less than 20 years of creditable service on June 28, 2011 and subsequently retire after accumulating a minimum of 25 years of creditable service are required by Chapter 78, P.L. 2011 to contribute a percentage of the cost of their health care coverage in retirement. The percentage of the premium that will be the responsibility of the retiree is determined based upon the retiree’s annual retirement benefit and level of coverage.

The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits. For additional information about the plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits’ (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtm.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

Funding Situation

The components of the Agency's OPEB liability in the Plan as of December 31, 2024 and 2023, were as follows:

	2024	2023
Total OPEB liability		
Service cost	$ 86,042	$ 85,098
Interest cost	87,520	82,852
Changes of benefit terms	16,996	3,283
Differences between expected and actual experiences	64,480	(302,595)
Changes in assumptions	274,026	36,355
Changes in proportion	230,200	21,641
Gross benefit payments	(87,980)	(85,092)
Member contributions	10,159	8,895
Net change in total OPEB liability	681,443	(149,563)
Total OPEB liability, January 1	2,121,601	2,271,164
Total OPEB liability, December 31	$ 2,803,044	$ 2,121,601
Plan fiduciary net position		
Employer contributions	$ 72,968	$ 69,403
Member contributions	10,159	8,895
Net investment income	258	285
Changes in proportion		
Gross benefit payments	(87,980)	(85,092)
Administrative expenses	(1,755)	(1,798)
Net change in plan fiduciary net position	(6,350)	(8,307)
Plan fiduciary net position, January 1	(16,981)	(8,674)
Plan fiduciary net position, December 31	$ (23,331)	$ (16,981)
Net OPEB liability, December 31	$ 2,826,375	$ 2,138,582

At December 31, 2024 and 2023, the Agency had 15 and 13 plan members, respectively, receiving other post-employment benefits.

The net OPEB liability at December 31, 2024 and 2023 was measured as of June 30, 2024 and 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Agency's proportionate share of the net OPEB liability was based on separately calculated OPEB liabilities and further allocated based on the ratio of the plan members relative to the total plan members for the period of measurement. At June 30, 2024, the Agency's proportionate share of the OPEB liability was 0.0158%, which was an increase of 0.0015% from its proportionate share measured as of June 30, 2023. At June 30, 2023, the Agency's proportionate share of the OPEB liability was 0.0143%, which was an increase of 0.0002% from its proportionate share measured as of June 30, 2022.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

Funding Situation (Continued)

For the years ended December 31, 2024 and 2023, the Agency recognized OPEB liability expense of $404,206 and $327,960, respectively. At December 31, 2024 and 2023, the Agency reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Accrual Experience	$ -	$ 335,749	$ -	$ 482,149
Changes in Assumptions	3,356	-	-	327,482
Net Differences Between Projected and Actual Investment Earnings on Pension Plan Investments	-	1,279	-	353
Changes in Proportion	571,601	-	691,358	-
Total	$ 574,957	$ 337,028	$ 691,358	$ 809,984

Amounts reported at December 31, 2024 as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in pension expense as follows:

Year ending December 31,	
2025	$ 270,850
2026	1,734
2027	7,303
2028	(75,590)
2029	(46,600)
Thereafter	80,232
	$ 237,929

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Other post-employment benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Agency on a monthly basis.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

Actuarial Assumptions

The total OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

	July 1, 2023	July 1, 2024
Salary Increases*	2.75% - 6.55%	2.75% - 6.55%

* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Retirement mortality rates were based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for July 1, 2023 and 2022 valuations.

Actuarial assumptions used in the July 1, 2023 and 2022, valuation were based on the results of the experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

Health care trend assumption at July 1, 2023, for pre-Medicare medical benefits, the trend rate is initially 7.5% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Health care trend assumption at July 1, 2022, for pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024 and 2023 was 3.93% and 3.65%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

Sensitivity of the Agency's proportionate share of the net OPEB liability to changes in the discount rate.

The following presents the Agency's proportionate share of the net OPEB liability as of December 31, 2024 and 2023, respectively, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	2024		
	At 1% Decrease (2.93%)	At Current Discount Rate (3.93%)	At 1% Increase (4.93%)
Agency's Proportionate Share of Net OPEB Liability	$ 3,292,422	$ 2,826,375	$ 2,453,112

	2023		
	At 1% Decrease (2.54%)	At Current Discount Rate (3.54%)	At 1% Increase (4.54%)
Agency's Proportionate Share of Net OPEB Liability	$ 2,477,160	$ 2,138,582	$ 1,866,248

Sensitivity of the Agency's proportionate share of the net OPEB liability to changes Healthcare Trend Rate:

The following presents the Agency's proportionate share of the net OPEB liability as of December 31, 2024 and 2023, respectively, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1% lower or 1% higher than the current rate:

	2024		
	1 % Decrease	Healthcare Cost Trend Rate	1% Increase
Agency's Proportionate Share of Net OPEB Liability	$ 2,390,536	$ 2,826,375	$ 3,386,741

	2023		
	1 % Decrease	Healthcare Cost Trend Rate	1% Increase
Agency's Proportionate Share of Net OPEB Liability	$ 1,817,543	$ 2,138,582	$ 2,549,610

NOTE 10. OTHER LONG-TERM LIABILITIES

Inter-Agency Loan Payable

In 2012 the Agency entered into a loan agreement with the Hudson County Economic Development Corporation in the amount of $273,000, which was amended to $317,204 during 2013, for the abatement and removal of environmental hazards on certain properties located in Jersey City, New Jersey. This amount represents pass through funds from the United States Environmental Protection Agency's Brownfields Revolving Loan Program which are to be drawn down based on qualified expenditures. As of December 31, 2024 and 2023 the entire loan amount of $317,204 has been drawn down by the Agency. Throughout the term of the loan, a fixed rate of interest of 0.5% per annum will be charged. Interest is due and payable from inception to June 20, 2019 on June 20, 2019. Principal and interest payments in five equal installments commence on June 20, 2019 and will be paid on the first day of each year. All amounts of principal and interest owed will be paid no later than June 20, 2029. The Agency has recorded a loan payable of $0 and $31,083 as of December 31, 2024 and 2023, respectively.

Compensated Absences

During the years ended December 31, 2024 and 2023 the following changes occurred in compensated absences:

	Balance January 1, 2024	Net Addition/ (Reduction)	Balance December 31, 2024
Compensated Absence Liability:			
Noncurrent	$ 336,650	$ 124,100	$ 460,750

	Balance January 1, 2023	Net Addition/ (Reduction)	Balance December 31, 2023
Compensated Absence Liability:			
Noncurrent	$ 319,005	$ 17,645	$ 336,650

NOTE 11. UNRESTRICTED NET POSITION – BUDGETARY

The unrestricted net position as reported in the financial statements is comprised of the following components and is reconciled to the unrestricted net position utilized for budgetary purposes at December 31, 2024 and 2023, as follows:

	2024	2023
Total unrestricted net position - GAAP basis	$ 4,043,952	$ 431,027
Adjusted by:		
Net pension liability and related deferred inflows and outflows:		
Net Pension liability	1,713,474	1,721,357
Deferred pension liability inflows	336,248	498,067
Deferred pension liability outflows	(29,762)	(17,349)
	2,019,960	2,202,075
Net OPEB liability and related deferred inflows and outflows:		
Net OPEB liability	2,826,375	2,138,582
Deferred OPEB liability inflows	337,028	809,984
Deferred OPEB liability outflows	(574,957)	(691,358)
	2,588,446	2,257,208
Leases receivable and related deferred inflows:		
Leases receivable:		
Current portion	(269,908)	-
Noncurrent portion	(238,696)	-
Deferred leases receivable inflows	492,852	-
	(15,752)	-
Total unrestricted net position - budgetary basis	$ 8,636,606	$ 4,890,310

NOTE 12. COMMITMENTS AND CONTINGENCIES

State and Federal Grants: The Agency receives grants from the State of New Jersey, the U.S. Government and the City of Jersey City that are generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors. In addition, these audits could result in the disallowance of costs previously reimbursed and require repayment to the grantor agency. The Agency estimates that no material liabilities will result from these audits.

Redeveloper Agreements: The Agency has entered into certain redeveloper agreements whereby the redeveloper is responsible for the payment of any awards of just compensation and any relocation claim awards resulting from the condemnation of real property. The Agency is however primarily liable for these payments if the redeveloper defaults on any payments. At the present time the financial terms of all redeveloper agreements have been met.

Environmental Remediation Liability: Certain of the Agency's redevelopment properties are in the process of being cleared of identified environmental contamination. Costs associated with the clean-up of these sites will be reimbursed by the prior property owners, project redevelopers and State or City agencies. Management believes the Agency's liability, if any, will not be material.

NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)

Litigation: The Agency is a defendant in several lawsuits which arose out of the normal course of business and which the Agency's management believes will not have a material impact on the financial statements. These liabilities, if any, not covered by insurance, should not be material in amount, except for the following matters:

New Jersey Department of Environmental Protection, and the Administrator of the New Jersey Spill Compensation Fund v. Honeywell International, Inc., et al.(the "First Litigation") and PPG Industries, Inc. v. Jersey City Redevelopment Agency, et al.(the "Second Litigation" and together with the First Litigation, the "PPG Litigation")

The PPG Litigation is pending in the Superior Court of New Jersey, Hudson County, and is best described as a dispute between and among various redevelopers with respect to, among other things, certain environmental matters, and the designation of certain real property as an area in need of redevelopment under the Redevelopment Law. All defendants in the PPG Litigation (e.g., other redevelopers and the Agency), filed motions to dismiss the Second Litigation, which were granted in November 2019 thereby terminating the Second Litigation. The various redevelopers had been trying to work out a global settlement of all outstanding issues remaining in the First Litigation, but such efforts have been stagnant for some time.

Jersey City Redevelopment Agency v. 125 Monitor Street JC LLC, et al

On December 10, 2021, the Agency filed an action in condemnation by Order to Show Cause to acquire the property located at 125 Monitor Street in the City of Jersey City (the "Property"). The Order to Show Cause was granted by the Law Division on December 13, 2021, with an initial return date of February 18, 2022. An Answer was filed by Defendant 125 Monitor Street ("Defendant") on December 27, 2021, and an opposition brief followed on January 24, 2022. On February 23, 2022, the Parties were heard on the OTSC and a March 7, 2022, Order scheduled the matter for a plenary hearing on June 27, 2022. Following several adjournments, the plenary hearing took place on October 19, 2022. The Trial Court rendered its decision in favor of the Agency on January 3, 2022.

The Court's January 3, 2022, Order and Judgment ruled that the Agency is duly vested with and has duly exercised its powers of eminent domain to acquire Defendant's property and appointing condemnation commissioners to fix and determine just compensation.

On February 16, 2023, Defendant filed its Notice of Appeal. All briefs were submitted, and oral argument was held on June 5, 2024. The Agency is awaiting the Appellate Division's written opinion.

On July 16, 2025, Agency filed a Motion to Bar to preclude Defendant from disavowing the position it previously and successfully advanced in prior litigation concerning value of the Property. Defendant's prior position was supported by an appraisal report (the McNerney Appraisal) estimating the property's value as of 2019. In the motion, Agency sought to limit Defendant's argument in the upcoming trial regarding the value in the McNerney Appraisal, updated to the applicable date of value. Defendant filed a cross motion to preclude evidence of the McNerney Appraisal and to set the valuation date as January 26, 2022, rather than Agency date of December 10, 2021. The Judge granted the Agency's Motion to Bar and Defendant's cross motion in regard to the valuation date. The Parties are now obtaining new expert reports and are coordinating a date to exchange same.

Since the Defendant has not yet served an appraisal report establishing the amount of just compensation it seeks, and because dispositive valuation issues remain pending before the Court, it is not presently possible to predict the ultimate amount, if any, by which the Court may determine the fair market value of the Property differs from Agency's valuation.

NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)

Morris Canal Redevelopment Area Community Development Corporation d/b/a Morris Canal Community Development Corporation v. Jersey City Redevelopment Agency

The complaint was filed on April 1, 2022 with the Superior Court of New Jersey, Hudson County and amended April 14, 2022. The Agency filed an Answer to the Amended Complaint on May 4, 2022. This litigation stems from a May 1, 2018 Redevelopment Agreement for a portion of the Morris Canal Redevelopment Area, specifically Block 20001, Lot 16 (199 Woodward Street) and Lots 18-22 (408-420 Communipaw Ave.). On October 14, 2021, the Agency rejected a new joint venture proposed by Plaintiff on the basis that the venture would change the project from a non-profit, community development, home-ownership project, into a for-profit rental venture. Subsequently, on January 3, 2022, the Agency issued a Notice of Default to Plaintiff citing the prohibition against transfers and failure to complete construction activities consistent with the timetable specified in the RDA. Plaintiff failed to cure said default and, on February 17, 2022, the Agency issued a Notice of Termination as to Plaintiff's designation as redeveloper and of the redevelopment agreement itself.

On April 1, 2022, Plaintiff filed an action in New Jersey Superior Court – Hudson County alleging that the Agency delayed completion of construction activities by improperly conducting certain environmental investigations, inadvertently selling the 199 Woodward parcel, and improperly terminating the RDA. The Agency denied all such allegations, in part on the basis that its environmental investigations were necessitated by Plaintiff's failure to properly investigate all environmental contamination at the property. Through March 31, 2025, the parties conducted extensive discovery including the production of over 100,000 pages of Agency documents and several depositions. On April 11, 2025, the Agency filed a motion for summary judgment, which the court granted on August 7, 2025, thereby dismissing Plaintiff's claims in their entirety. Plaintiff has filed an appeal, but the New Jersey Appellate Division dismissed the appeal on April 1, 2026. Plaintiff subsequently filed a motion for reconsideration, which the Appellate Division denied on May 27, 2026.

Jersey City Redevelopment Agency v. Team Rhodi, LLC

The Defendant, Team Rhodi, LLC, is the former owner of property located at Block 19003, Lots 1-7 on the tax map of the City of Jersey City (309-323 Johnston Avenue, Jersey City, New Jersey). The Agency instituted a condemnation action by filing the Verified Complaint and Declaration of Taking on or about November 16, 2018 to acquire title to the property. On November 26, 2018 the Court entered the Order for Payment into Court and for Possession. The Agency subsequently deposited the estimated just compensation in the amount of $1,272.000.00 with the Clerk of the Superior Court.

On January 25, 2019, Team Rhodi filed its opposition to the Agency's authority to condemn the Property. On March 1, 2019, the Court entered the first of two (2) orders staying the condemnation action pending Team Rhodi's appeal of the dismissal of the Prerogative Writ action. The Court's Order dated March 1, 2019 stayed this matter "pending the Appellate Division decision or until December 31, 2019. On January 22, 2020 the Court entered an Order staying this matter pending an Appellate Division decision or until July 31, 2020.

In support of its acquisition of the Property, the Agency produced an updated appraisal report of Mark W. Sussman, MAI, CRE of Lasser Sussman Associates, LLC dated October 26, 2021. Mr. Sussman opined the fair market value of the Property to be $2,600,000 as of November 16, 2018. The Agency later produced the Updated Appraisal report of Mr. Sussman dated December 15, 2022 opining the fair market value of the Property as of June 3, 2019 to be $2,870,000. In March 2023, Team Rhodi produced an appraisal report valuing the property at $7,200,000.

The trial court granted Team Rhodi's motion to bar the Agency's appraisal report and, in doing so, erroneously ruled that the Morris Canal Redevelopment Plan constituted the controlling zoning under which the Property was to be valued. That ruling was contrary to well-established New Jersey condemnation law. Accordingly, the Agency sought and obtained leave from the Superior Court of New Jersey, Appellate Division, to file an interlocutory appeal, a form of relief that is granted only sparingly. Following briefing and oral argument, the Appellate Division reversed the trial court's ruling, holding that the Property must be valued under the proper zoning principles applicable under New Jersey condemnation law. As a result of the Appellate Division's decision, Team Rhodi was required to prepare and serve a new appraisal report valuing the Property under the correct legal standard. Team Rhodi's revised appraisal now values the Property at approximately $7,000,000.

NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)

Jersey City Redevelopment Agency v. Team Rhodi, LLC (Continued)

The Agency continues to vigorously prosecute the condemnation action and contesting Team Rhodi's valuation of the Property. The matter is presently scheduled for trial on October 19, 2026. Following the Appellate Division's favorable decision reversing the trial court's zoning ruling, the remaining issue for trial is the determination of just compensation under the proper legal standard. Although the Agency remains willing to consider settlement if an appropriate resolution can be achieved, absent such a resolution it intends to proceed to trial.

The Agency has already prevailed on the significant legal issue presented in the interlocutory appeal. The remaining issue is the determination of just compensation. While there remains a difference between the parties' appraisals, the Agency believes its appraisal is well supported. The primary difference between the two respective valuations relates to Team Rhodi's use of comparable sales located outside the immediate neighborhood of the subject Property, whereas the Agency's appraisal utilizes sales from within the immediate neighborhood.

In addition, the parties' appraisers disagree as to the appropriate residential development density. Team Rhodi's appraisal assumes a 100-unit residential development, while the Agency's appraisal is based upon an 82-unit development because Team Rhodi did not include any affordable housing units, which we contend would be a condition of receiving the uses variances required for a residential development project at these densities.

The Agency is currently preparing and will serve a rebuttal planning report addressing the density issue raised by Team Rhodi's revised appraisal. Because the ultimate determination of fair market value will depend upon a jury’s evaluation of the competing expert testimony at trial, we are unable to estimate with reasonable certainty the amount or range of any additional compensation, if any, that may ultimately be awarded. Based upon the current status of the litigation, however, we believe the Agency’s valuation position is well supported.

Jersey City Redevelopment Agency v. Leonard Parness Trucking Corp., City of Jersey City, State of New Jersey, and New Jersey Division of Taxation

By way of summary, on June 29, 2023, the Agency filed an Order to Show Cause ("OTSC") and Verified Complaint against the defendants seeking to acquire real property identified as Block 19903, Lot 4, commonly known as 142 Halladay Street in Jersey City, by condemnation for a public purpose pursuant to and in accordance with the Eminent Domain Act of 1971, N.J.S.A. 20:3-1 to -47. The property is located in the Canal Crossing Redevelopment Area which Jersey City designated as an "area in need of redevelopment" based on the criteria set forth in the Local Redevelopment and Housing Law, N.J.S.A.40A:12A-l to -73 ("LRHL"). The appraised value of the property, as of August 4, 2022, was $290,000. Prior to filing the lawsuit, the Agency offered to purchase the property from the Defendant, Leonard Parness Trucking Corp. ("Parness") for its full appraised value. However, Parness rejected the offer.

Thereafter, Parness filed a contesting answer and opposition to the OTSC. Parness broadly contends that the Agency lacks the requisite authority to condemn the property due to alleged substantive and procedural infirmities of the City's original designation. Specifically, Parness contends that: (1) there was insufficient evidence in the redevelopment study to support the blight designation, (2) the property does not meet the statutory blight criteria, (3) property owners affected by the designation were not provided adequate notice; and (4) the Agency lacks any public purpose in attempting to condemn the property as there is no redevelopment project for which this property is needed, no designated redeveloper, and no discernable public purpose furthered by the Agency's condemnation.

NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)

Jersey City Redevelopment Agency v. Leonard Parness Trucking Corp., City of Jersey City, State of New Jersey, and New Jersey Division of Taxation (Continued)

The Agency and the City contend that: (1) the applicable Study Area, including the Property, was lawfully designated as an area in need of redevelopment pursuant to and in accordance with LRHL; (2) the actions undertaken by the City in support of its 1998 designation, including preliminary investigation, municipal determinations, recommendations, studies, public hearings, notices, and legislative enactments were performed and completed in accordance with applicable law; (3) the City's 1998 designation is binding and conclusive upon Parness because it is based on substantial credible evidence in the record, and it is entitled to a presumption of validity, which Parness cannot overcome; (4) Parness and all other required persons and entities had proper notice that the Property was in a redevelopment area and could be acquired by condemnation; (5) Parness sought to be designated as the redeveloper of the Property and clearly had proper notice at all relevant times; (6) Parness voluntarily and intentionally relinquished its right to challenge the City's designation, having exclusively negotiated and contracted with the Agency to be designated a "redeveloper" of the Property, and fully participated in the City's redevelopment process; and (7) the Agency is duly vested with and has duly exercised its authority to acquire the Property pursuant to and in accordance with the Act.

On July 18, 2025, the trial court heard oral argument on the OTSC. On September 18, 2025, the trial court judge entered judgment denying the Agency's authority to acquire and redevelop the Property. Relying solely on Harrison Redevelopment Agency v. DeRose, 398 N.J. Super. 361 (App Div. 2008), the judge determined that the City failed to notify Parness that its property may be acquired by condemnation, and further that Parness was not informed of the time limit to challenge the City's redevelopment designation containing the Property. The Agency's complaint was dismissed without conducting a plenary hearing on the City's designation, the Agency's authority to condemn, or any defenses alleged by Parness.

On October 30, 2025, the City and the Agency filed a Notice of Appeal and Case Information Statement in the Superior Court of New Jersey, Appellate Division. On June 1, 2026, the Appellate Division approved the joint brief and joint appendix filed by the City and the Agency. Parness's brief is presently due August 3, 2026. The City and Agency's joint reply brief is due August 17, 2026.

On appeal, the City and the Agency argue that the trial court erred in three respects. First, its determination that the City's notice is inadequate does not provide an independent basis for outright dismissal. Rather, the contested matter must still proceed with the court to determine whether the Agency may condemn the property, and the lack of notice serves as an affirmative defense. That did not occur as the trial court declined to address any arguments aside from notice. Therefore, the matter should be remanded for complete adjudication. Second, the record confirms Parness had proper notice and is therefore time-barred from challenging the City's designation. Finally, the trial court failed to consider that Parness had in fact already acknowledged, consented to, relied upon, and sought to benefit from the City's designation when seeking to develop the Property. Therefore, Parness is estopped from challenging the City's designation, which is presumed to be valid as a matter of law.

Importantly, beginning in 2013, Parness participated in the Agency's redevelopment application and review process. Parness was designated the exclusive "redeveloper" of the property, entered into a pre-redevelopment agreement with the Agency, and attempted to negotiate with the Agency, albeit unsuccessfully, to enter a redevelopment agreement to develop the Property.

Now, dissatisfied with its prolonged and unsuccessful development efforts, Parness seeks the wholesale nullification of the preliminary investigation, municipal determinations, recommendations, studies, and legislative enactments undertaken and approved by the City and City Planning Board more than twenty years ago that support the City's designation.

At no time prior to this lawsuit did Parness state it failed to receive notice of the City's redevelopment designation or its consequences. On the contrary, Parness actively sought to develop the Property based upon that designation which confirms it had proper notice. Moreover, by seeking to be the redeveloper, Parness benefitted from the notice it received.

The City and the Agency request that the Appellate Division remand the case to the Law Division for a hearing on the Agency's authority to condemn and find that Parness is time-barred from challenging the City's designation or that Parness is estopped from challenging the designation based on its prior conduct.

NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)

Jersey City Redevelopment Agency v. Leonard Parness Trucking Corp., City of Jersey City, State of New Jersey, and New Jersey Division of Taxation (Continued)

Prior to the appeal, counsel for Parness advised that it was under contract with a developer to sell its property which had the potential to resolve this litigation. However, that contract was cancelled and the sale never transpired.

The Agency is aware that discussions are ongoing between Parness and City officials which may influence resolution of this case. There is a fee shifting statute applicable to this case.

The Agency has not been provided with proof of attorney fees incurred thus far from Parness. However, informal discussions with adverse counsel estimate attorney fees to be between $200,000-$250,000. Accordingly, if a court renders a final unappealable judgment that the Agency cannot acquire the real property by condemnation or, if the condemnation action is abandoned, the Agency would be liable for such fees.

Jersey City Redevelopment Agency v. Grand Jersey Group, LLC et al.

The Matter arises from an anticipated redevelopment project and related redevelopment agreement between the Agency and Defendants Grand Jersey Group, LLC and 185 Monmouth Street, LLC (the "Redeveloper Defendants") with respect to certain property owned by the Agency. In October 2024, the Agency terminated the agreements with the Redeveloper Defendants due to Redeveloper Defendants breach of the agreements with the Agency. In February 2025, Defendant DNG Group I, LLC ("DNG"), a contractor engaged by the Redeveloper Defendants, filed an unlawful lien on the Agency's property. The Agency filed suit to discharge the lien and to enjoin the Redeveloper Defendants and DNG from further encumbering the real property associated with the proposed project. Before the Agency's request for injunctive relief was heard, the Redeveloper Defendants and DNG filed counterclaims against the Agency and filed a lis pendens on the property. The counterclaims included claims for specific performance, breach of contract, breach of the implied covenant of good faith and fair dealing, promissory estoppel, equitable estoppel, and unjust enrichment. After those claims were filed, the court granted the Agency the relief it requested, discharging the lien and enjoining further encumbrance of the property. Thereafter, members of the Redeveloper Defendants entities have intervened in the matter, filing claims related to control of those entities and related monetary damages (these additional claims are not against the Agency).

On June 5, 2026, the Agency obtained partial summary judgment dismissing with prejudice the Redeveloper Defendants' claim for specific performance and requiring the lis pendens be discharged. The lis pendens on the Agency's property has now been discharged. To date, the parties have engaged in paper discovery. No depositions have been taken, and discovery is ongoing.

The Agency intends to vigorously defend the claims filed against it. The Agency has already successfully obtained a with-prejudice dismissal of one claim and is evaluating whether dismissal of additional claims can be obtained on the current record without additional discovery.

Although predicting the outcome of a case should it proceed to trial is difficult, the Agency's legal counsel evaluation of the evidence and information received to date indicates that the Agency has viable defenses to the claims asserted against it. The Agency is evaluating whether it may assert claims against the Redeveloper Defendants and DNG based on findings made by the court in granting the Agency's motion for partial summary judgment. The Agency also is evaluating whether it may assert a viable claim against the Redeveloper Defendants for defense and indemnification of the claims filed by DNG.

Cynthia Suazo v. the Jersey City Redevelopment Agency, et al.

On July 25, 2025, a former employee of the Agency filed a complaint alleging violations of the New Jersey Law Against Discrimination against the Agency. Ms. Suazo was employed by the Agency from September 2023 to May 2025 and voluntarily left her employment at the Agency. The Agency asserts these allegations are not meritorious and is vigorously defending these claims. The matter is currently in the discovery phase that is scheduled to end November 29, 2026.

The Agency has insurance through a joint insurance fund. The fund is on notice of the claim and has been involved and is monitoring this matter.

NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)

Elizabeth Vasquez v. the Jersey City Redevelopment Agency, et al.

On May 14, 2025, a former employee of the Agency filed a complaint alleging violations of the New Jersey Law Against Discrimination. Ms. Vasquez was employed by the Agency from 2008 to October 2023 and voluntarily left her employment at the Agency. Although the Agency denied the claims contained in the Complaint, it agreed to resolve the matter to avoid the potential cost of protracted litigation. The case was ultimately settled for $75,000 and has been dismissed. The settlement has been accrued as of December 31, 2024.

NOTE 13. RISK MANAGEMENT

The Agency is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency has obtained insurance coverage to guard against these events which will provide minimum exposure to the Agency should they occur.

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

NOTE 14. CONDUIT DEBT OBLIGATIONS

The Agency issues redevelopment area bonds for the benefit of unrelated private developers to provide financing for eligible redevelopment projects. The bond proceeds are received by the private developers, and the private developers are primarily obligated for the repayment of the bonds. Debt service on the bonds is payable solely from payments in lieu of taxes (PILOTs) pursuant to financial agreements with the City of Jersey City.

In accordance with GASB Statement No. 91, *Conduit Debt Obligations*, these bonds meet the definition of conduit debt obligations because the Agency and the private developers are not within the same financial reporting entity, the private developers receive the proceeds of the debt issuances, and the private developers are primarily obligated for the payment of debt service. Accordingly, the related bonds are not reported as liabilities in the accompanying Statements of Net Position of the Agency.

The Agency's involvement with these financings is limited to an administrative role customary for conduit debt issuers, including the issuance of the bonds in its name and actions necessary to maintain the tax-exempt status of the obligations, when applicable. The Agency has not pledged its own revenues, assets, or taxing power in support of these bonds and has not extended any additional or voluntary commitment to support debt service on these obligations.

The Agency's conduit debt activity for the years ended December 31, 2024 and 2023 were as follows:

Series 2015 Redevelopment Area Bonds - Hudson Exchange (Forest City) PEP-I/Series 2020 Redevelopment Area Bonds – Hudson Exchange (Forest City) PEP-2

The Agency was granted approval during 2015 to issue $20,000,000 of redevelopment area bonds for Hudson Exchange (Forest City) redevelopment projects.

On November 6, 2015, the Agency issued $10,000,000 of federally taxable Redevelopment Area Bonds. The bonds have a final maturity date of September 15, 2040 and bear interest at a rate of 7% per annum. The entire principal amount of this bond shall be drawn down by December 31, 2016. Principal payments are due and payable on September 15 of each year, commencing in 2018. Interest payments are due and payable on March 15 and September 15 of each year, commencing in 2018. The balance at December 31, 2024 and 2023 was $8,383,479 and $8,662,339, respectively.

NOTE 14. CONDUIT DEBT OBLIGATIONS (Continued)

Series 2015 Redevelopment Area Bonds - Hudson Exchange (Forest City) PEP-I/Series 2020 Redevelopment Area Bonds – Hudson Exchange (Forest City) PEP-2 (Continued)

Furthermore, on March 19, 2020, the Agency issued an additional $10,000,000 of federally taxable Redevelopment Area Bonds related to the project. The bonds have a final maturity date of March 15, 2040, and bear interest at a rate of 7% per annum. The entire principal amount of this bond shall be drawn down by December 31, 2016. Principal payments are due and payable on March 15 of each year, commencing in 2021. Interest payments are due and payable on March 15 and September 15 of each year, commencing in 2020. The balance at December 31, 2024 and 2023 was $8,940,000 and $9,235,000, respectively.

The obligation to make the payments of the principal of and interest on the bonds shall be secured by the pledge by the City of Jersey City of the pledged annual service charge, as stated in the financial agreement, dated September 9, 2015, governing payments made to the City in lieu of real estate taxes. These bonds were issued to (I) fund certain costs of Phase 1A of the redevelopment plan for the Harismus Cove Redevelopment Area; and (ii) pay certain costs incidental to the issuance and sale of the bonds, together with other costs permitted by the Local Redevelopment and Housing Law.

Series 2016 Redevelopment Area Bonds - Journal Square Project

The Agency was granted approval during 2013 to issue $10,000,000 of redevelopment area bonds for Journal Square redevelopment projects.

On January 28, 2016, the Agency issued $10,000,000 of federally taxable redevelopment area bonds. The bonds have a final maturity date of September 1, 2042 and bear interest at a rate of 7% per annum. Principal and interest shall be payable on each March 1, June 1, September 1, and December 1, commencing March 1, 2016. The balance at December 31, 2024 and 2023 was $7,593,457 and $7,946,445, respectively. The Bonds are special limited obligations of the Agency payable solely from amounts pledged therefore under a Trust Indenture Agreement, dated January 28, 2016, including payments of pledged annual service charges pursuant to financial agreements between the City and redeveloper. These bonds were issued to finance a portion of certain public and private improvements in the Journal Square Redevelopment Area.

Series 2019 Redevelopment Area Bonds – PH Urban Renewal LLC Project

The Agency was granted approval during 2019 to issue $1,000,000 of redevelopment area bonds for Paulus Hook redevelopment projects.

On December 12, 2019, the Agency issued $999,920 of federally taxable redevelopment area bonds. The bonds have a final maturity date of February 1, 2047 and bear interest at a rate of 7% per annum. Principal and interest shall be payable on each February 1, May 1, August 1, and November 1, commencing May 1, 2022. The balance at December 31, 2024 and 2023 was $968,567 and $984,667, respectively. The obligation to make the payments of the principal of and interest on the bonds shall be secured by the pledge by the City of Jersey City of the pledged annual service charge, as stated in the financial agreement, dated February 1, 2017, governing payments made to the City in lieu of real estate taxes. These bonds were issued to (i) fund certain costs of the Redevelopment Project; and (ii) pay certain costs incidental to the issuance and sale of the bonds, together with other costs permitted by the Local Redevelopment and Housing Law.

NOTE 15. JOINT VENTURE PARTNERSHIP

The Agency is the owner of certain real estate known as Martin Luther King Hub Plaza, located at 360-398 Martin Luther King Drive, Jersey City, New Jersey. Pursuant to certain resolutions of the Agency Board of Commissioners, dated December 19, 2006 and June 19, 2007, the Agency and HUB Partners LLC are the sole partners in the Martin Luther King Drive Urban Renewal Joint Venture Partnership ("Partnership"). The Partnership is the developer and operator of various commercial properties which have been developed on nearly seven acres of land located at the Martin Luther King Hub Plaza, dating back to June 20, 1995, which is commonly referred to as the "HUB Project". The Partnership is owned 70% by the Agency and 30% by HUB Partners LLC. Additionally, on February 1, 2007 the Agency entered into a Management Agreement with Brandywine Real Estate Corporation, an affiliate of HUB Partner's LLC, which stated that Brandywine Real Estate Corporation will manage the day-to-day operations of HUB Project. This agreement renews on an annual basis January 1st of each year.

NOTE 15. JOINT VENTURE PARTNERSHIP (Continued)

The value of the underlying property is stated at cost and included in property held for redevelopment. Per the executed redevelopment agreement between the Agency and the Partnership, the Agency is entitled to monthly administrative fee payments of $2,000 which will continue until such time as the HUB Project is sold. In addition to the monthly administrative fee, the partnership agreement allows for payments of distributable cash to be made from time to time. During the years ended December 31, 2024 and 2023, $700,000 and $0, respectively, of Partnership income was distributed by the Partnership to the Agency.

The Partnership is a general partnership under New Jersey law, and therefore, the Agency may have exposure to risk of loss associated with the Partnership's activities. However, the partnership agreement states that partners are entitled to the return of capital only from partnership assets and, upon dissolution, each partner is to look solely to Partnership assets for distributions under the agreement.

As of December 31, 2024, the partnership agreement remains in effect. The agreement continues until the sale or other disposition of substantially all partnership assets and receipt of the related sales proceeds, dissolution by the required consent of the partners, or dissolution under the partnership agreement or applicable New Jersey law.

NOTE 16. PRIOR PERIOD ADJUSTMENTS AND RESTATEMENTS

In 2023, the Agency evaluated and determined various project costs incurred as redeveloper reimbursed expenses in prior period should have been capitalized as work in progress. As a result the Agency recorded a prior period adjustment of $1,629,893 to capitalize projects costs as construction in progress.

The 2023 financial statements have been restated to correct the following errors in reporting:

- The 2023 prior period of adjustment incorrectly included $569,741 for cancellation of accounts payable for capitalized construction costs for prior periods' operating expense instead of respective construction in progress. As a result, $569,741 in 2023 prior period adjustment to net position net investment in capital assets has been reduced with an offsetting reduction of construction in progress.

- Accounts payable for capitalized construction costs were duplicated in construction in progress. As a result, on the statement of net position, $244,833 of accounts payable were reduced with an offsetting reduction of construction in progress and $244,833 of net position was reclassified from net investment in capital assets to unrestricted.

- Special assessment receivable and bonds payable were incorrectly reported on statement of net position and related interest income and expenses were not reported on statement of revenues and expenses. As a result, on the statement of net position, special assessment receivable decreased $380,000 with an offsetting decrease in special assessment bonds payable of $380,000; and on the statement of revenues and expenses interest income increased $50,450 with a related increase in interest expense of $50,450.

- Net position net investment in capital assets incorrectly included an offset for bonds payable accrued interest payable. As a result, on the statement of net position, $573,273 of net position was reclassified from unrestricted to net investment in capital assets.

NOTE 17. PRIOR PERIOD RECLASSIFICATIONS

The following amounts in the 2023 statement of net position have been reclassified to conform with the 2024 presentation:

- $160,000 of special assessment receivable has been reclassified to current portion from noncurrent portion with an offsetting $160,000 in special assessment bonds payable reclassified to current portion from noncurrent portion.

- $8,171,716 of project notes payable have been reclassified to current liabilities from long-term liabilities.

NOTE 18. SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through July 17, 2026, the date which the financial statements were available to be issued and no items, other than those already included in note 12, commitments and contingencies, have come to the attention of the Agency that would require disclosure, except for the following:

Debt Issuance - Bayfront Redevelopment Project

On December 10, 2025 the Agency issued its $67,565,000 (City Guaranteed) obligations for the Bayfront Redevelopment Project, consisting of the $58,090,000 Project Note, Series 2025A (Tax-Exempt) (the "Series 2025A Project Note") and $9,475,000 Project Note, Series 2025B (Federally Taxable) (the "Series 2025B Project Note").

The Series 2025A Project Note (Tax Exempt) in the amount of $58,090,000 was issued to provide funds to: (i) currently refund the Agency's original issue $59,980,000 Series 2024A Project Note; and (ii) pay cost of issuance. The Series 2024A Project Note bears an interest rate of 5.00% a year, yielded a premium of $11,173,323, and matures on December 9, 2026.

The Series 2025B Project Note (Federally Taxable) in the amount of $9,475,000 was issued to provide funds to: (i) currently refund the Agency's $9,625,000 Series 2024B Project Note; and (ii) pay cost of issuance. The Series 2024B Project Note bears an interest rate of 4.50% a year, yielded a premium of $36,289, and matures on December 9, 2026.

The $67,565,000 (City Guaranteed) obligations for the Bayfront Redevelopment Project, consisting of the Series 2025A and Series 2025B Project Notes are special, limited obligations of the Agency, secured by a pledge by the Agency of certain funds and accounts, including revenues of the Agency. The obligations are also entitled to the benefits of a Subsidy Agreement dated as of January 1, 2022 by and between the Agency and the City. Pursuant to the Subsidy Agreement, the City is obligated to make any required payments to the Agency out of the first funds becoming legally available to the City and to provide the funds for such payments to the Agency, if not otherwise available, from the levy of ad valorem taxes upon all the taxable real property in the City without limitation as to rate or amount.

Impairment - Pathside Redevelopment Project

On March 17, 2026 the Agency's Board of Commissioners passed a resolution terminating its cultural arts implementation agreement with the Centre national d'art et de culture Georges Pompidou for cultural arts project. As of December 31, 2024, the Agency has incurred costs for Pathside Redevelopment Project of $17,997,426 that have been capitalized as construction in process in addition to $8,621,325 for acquisition of property. As a result, the Agency will impair costs capitalized as construction in process for the Pathside Redevelopment Project up to $17,997,426 in succeeding periods.

JERSEY CITY REDEVELOPMENT AGENCY
SCHEDULES OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN YEARS

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Agency's proportion of the net pension liability	0.01261%	0.01188%	0.01609%	0.01492%	0.01482%	0.01451%	0.01380%	0.01140%	0.01210%	0.00941%
Agency's proportionate share of the net pension liability	$ 1,713,474	$ 1,721,357	$ 2,428,865	$ 1,767,340	$ 2,416,660	$ 2,613,712	$ 2,720,429	$ 2,653,692	$ 3,583,017	$ 2,113,773
Agency's covered-employee payroll	$ 1,220,707	$ 1,041,391	$ 949,714	$ 1,137,558	$ 1,093,773	$ 1,082,063	$ 1,129,791	$ 976,916	$ 720,778	$ 649,719
Agency's proportionate share of the net pension liability as a percentage of its covered-employee payroll	140.37%	165.29%	255.75%	155.36%	220.95%	241.55%	240.79%	271.64%	497.10%	325.34%

JERSEY CITY REDEVELOPMENT AGENCY
SCHEDULES OF THE AGENCY'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN YEARS

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 171,589	$ 158,836	$ 202,958	$ 174,715	162,117	$ 141,098	$ 137,431	$ 105,607	$ 107,475	$ 80,955
Contributions in relation to the contractually required contribution	171,589	158,836	202,958	174,715	162,117	141,098	137,431	105,607	107,475	80,955
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Agency's covered-employee payroll	$ 1,220,707	$ 1,041,391	$ 949,714	$ 1,137,558	$ 1,093,773	$ 1,082,063	$ 1,129,791	$ 976,916	$ 720,778	$ 649,719
Contributions as a percentage of covered-employee payroll	14.06%	15.25%	21.37%	15.36%	14.82%	13.04%	12.16%	10.81%	14.91%	12.46%

JERSEY CITY REDEVELOPMENT AGENCY
SCHEDULES OF CHANGES IN OPEB LIABILITY ATTRIBUTABLE TO THE AGENCY AND RELATED RATIOS
STATE HEALTH BENEFITS RETIRED EMPLOYEES OPEB PLAN
LAST EIGHT FISCAL YEARS

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability								
Service cost	$ 86,042	$ 85,098	$ 112,464	$ 136,269	$ 98,861	$ 101,326	$ 138,459	$ -
Interest cost	87,520	82,852	56,662	66,653	81,158	96,691	118,043	-
Changes of benefit terms	16,996	3,283	56,817	327	169	(289)	-	-
Differences between expected and actual experiences	64,480	(302,595)	80,756	(192,660)	88,347	(212,802)	(560,240)	-
Changes in assumptions	274,026	36,355	(508,148)	54,626	501,681	(248,652)	(357,527)	-
Changes in proportion	230,200	21,641	(358,017)	(37,852)	153,946	(39,634)	3,186,982	-
Gross benefit payments	(87,980)	(85,092)	(82,626)	(82,083)	(76,064)	(71,472)	(65,136)	-
Member contributions	10,159	8,895	6,114	6,975	6,126	6,574	8,340	-
Net change in total OPEB liability	681,443	(149,563)	(635,978)	(47,745)	854,224	(368,258)	2,468,921	-
Total OPEB liability, July 1	2,121,601	2,271,164	2,907,142	2,954,887	2,100,663	2,468,921	-	-
Total OPEB liability, June 30	$ 2,803,044	$ 2,121,601	$ 2,271,164	2,907,142	$ 2,954,887	$ 2,100,663	$ 2,468,921	$ -
Plan fiduciary net position								
Employer contributions	72,968	69,403	61,449	58,445	53,418	59,325	73,343	-
Member contributions	10,159	8,895	6,114	6,975	6,126	6,574	8,340	-
Net investment income	258	285	33	32	466	734	358	-
Changes in proportion	-	-	-	(343)	3,043	(780)	32,947	-
Gross benefit payments	(87,980)	(85,092)	(82,626)	(82,083)	(76,064)	(71,472)	(65,136)	-
Administrative expenses	(1,755)	(1,798)	(1,741)	(1,826)	(1,617)	(1,441)	(1,267)	-
Net change in plan fiduciary net position	(6,350)	(8,307)	(16,771)	(18,800)	(14,628)	(7,060)	48,585	-
Plan fiduciary net position, July 1	(16,981)	(8,674)	8,097	26,897	41,525	48,585	-	-
Plan fiduciary net position, June 30	$ (23,331)	$ (16,981)	$ (8,674)	$ 8,097	$ 26,897	$ 41,525	$ 48,585	$ -
Net OPEB liability, June 30	$ 2,826,375	$ 2,138,582	$ 2,279,838	$ 2,899,045	$ 2,927,990	$ 2,059,138	$ 2,420,336	$ -
Agency's covered-employee payroll	$ 1,041,391	$ 949,714	$ 949,714	$ 1,137,558	$ 1,093,773	$ 1,082,063	$ 1,129,791	$ -
Agency's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	271.40%	225.18%	240.06%	254.85%	267.68%	190.30%	247.75%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.83%	-0.80%	-0.38%	0.28%	0.91%	1.98%	1.97%	0.00%

Note: The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a 10-year trend is compiled, the Agency will only present information for those years for

	Public Employees' Retirement System (PERS)	State Health Benefits Local Government Other Post-Employment Benefits (OPEB) Plan
Change in benefits	None	None
Change in assumptions:		
Discount rate:		
As of June 30, 2024	7.00%	3.93%
As of June 30, 2023	7.00%	3.65%
Inflation rate:		
As of June 30, 2024	2.75%	Not Applicable
As of June 30, 2023	2.75%	Not Applicable
Long-term expected rate of return on pension plan investments:		
As of June 30, 2024	7.00%	Not Applicable
As of June 30, 2023	7.00%	Not Applicable

Method and assumptions used in calculations of employer’s actuarially determined contributions The actuarially determined contributions are calculated as of July 1 preceding the fiscal year in which the contributions are reported. Unless otherwise noted above, the following actuarial methods and assumptions were used to determine rates in the schedule of employer contributions.

Contributions: Contributions reported on the schedule of Agency Contributions represent actual contributions by the Agency including contributions to the Non-Contributory Group Insurance Premium Fund.

JERSEY CITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Jersey City)

GOVERNMENT AUDITING STANDARDS
AND
STATE SINGLE AUDIT SECTION

DONOHUE GIRONDA DORIA TOMKINS LLC

CERTIFIED PUBLIC ACCOUNTANTS AND
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1 Harmon Meadow Blvd, 3002
Secaucus, NJ 07094

191 Central Ave, 2nd Fl
Newark, NJ 07103

310 Broadway
Bayonne, NJ 07002

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Chairperson and
Members of the Board of Commissioners
Jersey City Redevelopment Agency
Jersey City, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Jersey City Redevelopment Agency (the "Agency"), a component unit of the City of Jersey City, New Jersey, as of and for the year ended December 31, 2024, and related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated July 17, 2026.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings *2024-001* and *2024-002* to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as finding *2024-003* to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as finding *2024-003*.

We noted additional instances of noncompliance or other matters that are required to be reported under audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which are described in the accompanying "Comments and Recommendations" section of this report.

Jersey City Redevelopment Agency's Responses to Findings

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

Purpose of this Report

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Donohue, Gironda, Doria + Tomkins LLC

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

Secaucus, New Jersey
July 17, 2026

DONOHUE GIRONDA DORIA TOMKINS LLC

CERTIFIED PUBLIC ACCOUNTANTS AND
REGISTERED MUNICIPAL ACCOUNTANTS

www.dgdcpas.com | 201-275-0823

1 Harmon Meadow Blvd, 3002
Secaucus, NJ 07094

191 Central Ave, 2nd Fl
Newark, NJ 07103

310 Broadway
Bayonne, NJ 07002

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

Honorable Chairwoman and
Members of the Board of Commissioners
Jersey City Redevelopment Agency
Jersey City, New Jersey

Report on Compliance for Major State Program

Opinion on Major State Program

We have audited the Jersey City Redevelopment Agency (the "Agency"), a component unit of the City of Jersey City, New Jersey's compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on the Agency's major state program for the year ended December 31, 2024. The Agency's major state program is identified in the summary of Auditors' Results Section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2024.

Basis for Opinion on Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards and New Jersey OMB's Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major state program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and New Jersey OMB's Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Agency's compliance with the requirements of major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and New Jersey OMB's Circular 15-08 we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Donohue, Gironda, Doria + Tomkins LLC

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

Secaucus, New Jersey
July 17, 2026

JERSEY CITY REDEVELOPMENT AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass Through Grantor/Program Title	FAL Number	Pass-Through Grantor's Number	Cash Received	Expenditures
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Brownfields Assessment and Cleanup:				
Brownfield Revolving Loan - Ash Street	66.818	BF97207100	$ 6,302	$ 4,161
Hazardous Assessment	66.818	BF97207200	3,600	-
Petroleum Assessment	66.818	BF96274700	4,610	-
2019 Multipurpose	66.818	BF96274900	60,814	109,487
Total U.S. Environmental Protection Agency			75,326	113,648
Total Federal Awards			$ 75,326	$ 113,648

JERSEY CITY REDEVELOPMENT AGENCY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

State Grantor/Pass Through Grantor/Program Title	Grant or State Program Number	Cash Received	Expenditures	Cumulative Expenditures
NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION				
Passed-Through New Jersey Economic Development Authority				
Hazardous Discharge Site Remediation Grants:				
408-420 Communipaw Avenue	Not Available	$ 25,980	$ -	$ 114,711
Summit Metal & 8 34 Aetna Street	P297081	-	10,133	140,823
Total New Jersey Department of Environmental Protection		25,980	10,133	
NEW JERSEY COUNCIL OF THE ARTS				
FY22 Budget Appropriation Grant -				
Jersey City Museum Project	22COAleggrant-010	-	6,000,000	6,000,000
Total New Jersey Council of the Arts		-	6,000,000	
Total State Financial Assistance		$ 25,980	$ 6,010,133	

See Accompanying Notes to Schedules of Federal Awards and State Financial Assistance

NOTE 1. GENERAL

The Jersey City Redevelopment Agency is the prime sponsor of certain programs and recipient of various federal and state grant funds. The Agency has the responsibility to administer grant programs and report to grantor agencies. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are in included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the accrual basis of accounting. This basis of accounting is described in note 1 of the Agency's basic financial statements. The information in these schedules is presented in accordance with the requirements of and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Specifically, certain federal awards and state financial assistance finance the acquisition, construction, or improvement of capital assets. Amounts incurred for those projects are included as federal and state expenditures on the respective schedules of expenditures of federal awards and state financial assistance when the related capital outlays are incurred, even though those outlays are capitalized and reported as capital assets in Agency's financial statements rather than as current expenses. Related federal and state grant revenue associated with capital asset acquisitions are reported in the financial statements.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. FUNDS PASSED THROUGH TO SUBRECIPIENTS

The Agency did not pass through any federal awards to subrecipients.

NOTE 5. CONTINGENCIES

Each of the grantor agencies reserves the right to conduct additional audits of the Agency's grant programs for economy, efficiency and program results. However, Agency management does not believe such audits would result in material amounts of disallowed costs.

NOTE 6. RECONCILIATION TO FINANCIAL STATEMENTS

A reconciliation of schedules of expenditures of federal awards and state financial assistance to the financial statements is as follows:

	Schedules of Expenditures of	
Financial Statements	Federal Awards	State Financial Assistance
Grant expenses:		
Federal sources	$ 113,648	$ -
State sources	-	10,133
Capitalized capital project expenditures:		
State sources	-	6,000,000
Total Expenditures	$ 113,648	$ 6,010,133

Section I - Summary of Auditor's Results

FINANCIAL STATEMENT SECTION

A) Type of Auditor's Report Issued: Unmodified

B) Internal Control over Financial Reporting:

1) Material weakness(es) identified? ✓ Yes *2024-001, 2024-002* ___ No

2) Significant deficiency(ies) identified? ✓ Yes *2024-003* ___ None reported

C) Noncompliance material to financial statements noted? ✓ Yes *2024-003* ___ No

STATE FINANCIAL ASSISTANCE SECTION

D) Dollar threshold used to determine between Type A and Type B Programs. $750,000

E) Auditee qualified as low-risk auditee? ___ Yes ✓ No

F) Internal Control over major programs:

1) Material weakness(es) identified? ___ Yes ✓ No

2) Significant deficiency(ies) identified? ___ Yes ✓ None reported

G) Type of auditor's report on compliance for major programs: Unmodified Opinion

H) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended? ___ Yes ✓ No

I) Identification of major programs

State Grant/Project Number(s)	Name of State Program or Cluster
22COAleggrant-010	FY22 Budget Appropriation Grant - Jersey City Museum Project

Section II – Financial Statement Findings

(This schedule identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to financial statements for which *Government Auditing Standards* require reporting.)

Finding 2024-001
- Material weakness in internal control over financial reporting

Condition and Effect:
Accounting controls in the financial reporting system are being overridden with duplicate invoice entries and compensating controls of monthly closing procedures are not being regularly and timely performed to review accuracy of accounts payable, outstanding checks, and related expenses and capital costs. Furthermore, capital costs are not being accounted for in a financial reporting system in a detailed manner with sufficient audit trail. Misstatements of expenses, construction in progress, accounts payable, and outstanding checks existed that were not detected and corrected on a timely basis.

Criteria:
Accounting controls should be designed and operated to prevent or detect and correct misstatements on a timely basis.

Context:
During the independent audit the following accounts payable and checks were found to be duplicated and corrected:

- $347,583 accounts payable for project costs capitalized of which $244,833 was capitalized in prior periods and adjusted with a prior year restatement, and $102,750 was adjusted in current period.
- $596,851 outstanding check for interest expense
- $722,456 outstanding checks for legal expense

Cause:
Invoices for expenses paid from debt issue proceeds are being duplicated, resulting in overstated expenses and related accounts payable and checks that are not being timely corrected. Capital costs are processed as expenses throughout the year and at year end adjusted in aggregate to construction in progress.

Recommendation:
Accounting controls in financial reporting system not be overridden with duplicate invoice entries and compensating controls of monthly closing procedures be regularly and timely performed to review accuracy of accounts payable, outstanding checks, and related expenses and capital costs. Capital costs be accounted for in financial reporting system in a detailed manner with sufficient audit trail.

View of Responsible Official and Planned Corrective Actions (Unaudited):
The Agency is in the process of changing their financial reporting system to improve accounting controls for processing of invoices and accounting of capital costs. Management will immediately commence performing compensating controls of monthly closing procedures regularly and timely to review accuracy of accounts payable, outstanding checks, and related expenses and capital costs.

Finding 2024-002
- Material weakness in internal control over financial reporting

Cause and Condition:
Revenues are regularly recognized when received instead of when the underlying event giving rise to revenue has occurred and no compensating controls are being performed to review accuracy of accounts receivable and related revenues on a regular and timely basis.

Criteria:
Accounting controls should be designed and operated to prevent or detect and correct misstatements on a timely basis.

Context:
During test of cash receipts, there were 4 of 25 instances noted where revenues recognized were from prior period and should have been recognized in prior period with a related accounts receivable.

Effect:
There may be material misstatements of revenue and related receivables that were not detected and corrected.

Recommendation:
Accounting controls be established and operated to recognize revenue when the underlying event giving rise to revenue has occurred and compensating controls be performed to review accuracy of accounts receivable and related revenues on a regular and timely basis.

View of Responsible Official and Planned Corrective Actions (Unaudited):
The Agency is in the process of changing their financial reporting system to improve accounting controls for recognizing revenue. Management will immediately commence performing compensating controls to review accuracy of accounts receivable and related revenues on a regular and timely basis.

Finding 2024-003
- Significant deficiency in internal controls over financial reporting and noncompliance

Condition:
Note issue premiums are being recorded net of use of proceeds. As a result of independent audit, premiums were grossed to correct amounts with offsetting use of proceeds and found that proceeds were used for required principal payment on renewed notes, a use not permitted under New Jersey Local Bond Law.

Criteria:
Accounting procedures should be designed and operated to prevent or detect and correct misstatements on a timely basis. N.J.S.A. 40A:2-8.1(3)(a) requires principal payments for renewed notes be paid from funds other than proceeds of obligations.

Context:
As a result of independent audit premiums were recorded with offsetting use of proceeds for costs of issuance and required principal payment on renewed notes as follows:

- $5,000 principal of renewed Series 2023 Project Note (City Guaranteed) Pathside Redevelopment Project
- $320,000 principal of renewed Series 2022A Project Note (City Guaranteed) Bayfront Redevelopment Project

Cause:
Debt issue premiums are being recorded net of use of proceeds. The City of Jersey City did not appropriate sufficient funds for required principal payments on renewed notes.

Effect:
Debt issues are not being recorded properly to prevent and detect misstatements on a timely basis and there were two instances of noncompliance with N.J.S.A. 40A:2-8.1(3)(a).

Recommendation:
Note issue premiums be properly recorded, gross of use of proceeds, and premiums not be used for required principal payment on renewed notes.

View of Responsible Official and Planned Corrective Actions (Unaudited):
The Agency will properly record note issue premiums, gross of use of proceeds, and premiums will not be used for required principal payment on renewed notes.

Section III - State Financial Assistance Findings and Questioned Costs

(This section identifies audit findings required to be reported by New Jersey OMB Circular Letter 15-08, as applicable.)

No matters were reported.

(This section identifies the status of prior year findings related to the basic financial statements and state financial assistance that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards* and New Jersey OMB Circular 15-08, as applicable.)

STATUS OF PRIOR YEAR FINDINGS

BASIC FINANCIAL STATEMENTS

Finding 2023-001
- Material weakness in internal control over financial reporting

Condition and Effect:
Project costs are not being reviewed for adequacy of financial reporting as incurred and capitalized when appropriate. Misstatements of expenses, construction in progress, and accounts payable existed that were not detected and corrected on a timely basis.

Current Year Status:
This finding is repeated as a material weakness in internal controls over financial reporting in part of current year as finding 2024-001.

STATE FINANCIAL ASSISTANCE

No matters were reported in prior year.

JERSEY CITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Jersey City)

SUPPLEMENTARY INFORMATION

JERSEY CITY REDEVELOPMENT AGENCY
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE ACTUAL AMOUNTS FOR 2023

	2024 Budget	2024 Actual	Variance	2023 Actual
Revenues:				
Revenues anticipated:				
Development fees	$ 1,475,000	$ 2,015,000	$ 540,000	$ 1,861,159
Rental income	100,000	411,724	311,724	233,494
Property sales, net of provided to City Jersey City	775,000	(169,309)	(944,309)	3,330,000
Coles Street Special Assessment - principal	160,000	160,000	-	160,000
City of Jersey City - principal	243,462	245,000	1,538	250,000
Partnership income	-	700,000	700,000	-
Miscellaneous other income	115,000	103,068	(11,932)	62,182
Non-operating revenues:				
Coles Street Special Assessment - interest	99,200	49,600	(49,600)	50,450
City of Jersey City - interest	617,175	617,175	-	389,800
Interest on investments and deposits	400,000	4,891,452	4,491,452	2,929,966
Total revenues	3,984,837	9,023,710	5,038,873	9,267,051
Appropriations:				
Operating appropriations:				
Administration:				
Salaries and wages	1,400,000	1,387,602	(12,398)	1,294,852
Fringe benefits	500,000	453,051	(46,949)	281,895
Other expenses	676,500	681,818	5,318	860,920
Total administration	2,576,500	2,522,471	(54,029)	2,437,667
Total operating appropriations	2,576,500	2,522,471	(54,029)	2,437,667
Non-operating appropriations:				
Revenue bond principal	-	160,000	160,000	160,000
Project note principal	403,462	570,000	166,538	250,000
Project note interest	716,375	165,287	(551,088)	391,602
Total non-operating appropriations	1,119,837	895,287	(224,550)	801,602
Total appropriations	3,696,337	3,417,758	(278,579)	3,239,269
Less: unrestricted net position utilized	-	-	-	-
Net total appropriations	3,696,337	3,417,758	(278,579)	3,239,269
Total surplus	$ 288,500	$ 5,605,952	$ 5,317,452	$ 6,027,782

(Page 1 of 2)

JERSEY CITY REDEVELOPMENT AGENCY
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE ACTUAL AMOUNTS FOR 2023

	2024 Budget	2024 Actual	Variance	2023 Actual
Total surplus - budgetary basis		$ 5,605,952		$ 6,027,782
Adjustment - GAAP basis:				
Redeveloper reimbursements		2,644,647		17,602,549
Redeveloper reimbursed expenses		(2,463,693)		(708,625)
Grant revenue		6,123,781		71,890
Grant expenses		(123,781)		(71,890)
Coles Street Special Assessment - principal		(160,000)		(160,000)
City of Jersey City - interest		(360,019)		132,635
Revenue bond principal		160,000		160,000
Bond anticipation note principal		570,000		250,000
Realization of debt issue premiums		2,887,247		2,889,882
Debt issue premium utilized for cost of issuance		(726,261)		(122,114)
Reserved debt issue premiums utilzed for interest		(6,143,715)		(5,935,517)
Capital contribution from City of Jersey City		61,020,263		-
Capital grant expense		(61,020,263)		-
Depreciation		(18,596)		(19,465)
Pension (expense) benefit		23,023		(41,878)
Other post-employment expense		(331,238)		(256,557)
Interest income included in rental revenue		(910)		-
Rental revenue included in interest income		910		-
Unrestricted net position utilized		-		-
Net change in net position - GAAP basis		$ 7,687,347		$ 19,818,692

(Page 2 of 2)

Comment 1:
Escrow balances are not being maintained in accordance with the applicable requirements of N.J.S.A. 40:55D, "Municipal Land Use Law."

Recommendation:
Escrow balances should be maintained in accordance with all applicable laws and statutes.

Comment 2:
In testing of 25 expenditures, there was 1 instance noted where accounts payable voucher was missing and 4 instances noted where accounts payable voucher was missing claimant's signature or explanation as to why not practical.

Recommendation:
Expenditures be processed only when accounts payable voucher is processed and claimant's signature is obtained or documented as to why not practical.