SYNOPSIS OF THE AUDIT REPORT OF THE JERSEY CITY REDEVELOPMENT AGENCY AS REQUIRED BY N.J.S.A. 40A:5A-16

STATEMENTS OF NET POSITION

	As of December 31, 2024	As of December 31, *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

STATEMENTS OF NET POSITION (Continued)

	As of December 31, 2024	As of December 31, *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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For Years Ended December 31, 2024	For Years Ended December 31, *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 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

RECOMMENDATIONS

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.

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.

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

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

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

Chrisopher Fiore
Acting Executive Director