

**CARTERET REDEVELOPMENT AGENCY**

**Borough of Carteret, New Jersey  
County of Middlesex**

**Financial Statements and Supplementary Information**

**For the year ended December 31, 2024**

**(With Independent Auditor's Report thereon)**



**CARTERET REDEVELOPMENT AGENCY**  
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**(With Independent Auditor’s Report thereon)**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members of the  
Carteret Redevelopment Agency  
County of Middlesex  
Borough of Carteret, New Jersey

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Carteret Redevelopment Agency, County of Middlesex, State of New Jersey (hereafter referred to as the Agency), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Carteret Redevelopment Agency, County of Middlesex, State of New Jersey, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents 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.

## **Other 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 other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis as required by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the basic financial statements.

The accompanying other supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2025 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 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 Agency's internal control over financial reporting and compliance.

**HOLMAN FRENIA ALLISON, P.C.**  
*Certified Public Accountants*

August 27, 2025  
Lakewood, New Jersey

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**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 Chairman and Members of the  
Carteret Redevelopment Agency  
County of Middlesex  
Borough of Carteret, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Carteret Redevelopment Agency, County of Middlesex, State of New Jersey (hereafter referred to as the Agency), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements and have issued our report thereon dated August 27, 2025.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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.

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

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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**HOLMAN FRENIA ALLISON, P.C.**  
*Certified Public Accountants*

August 27, 2025  
Lakewood, New Jersey

**CARTERET REDEVELOPMENT AGENCY  
BOROUGH OF CARTERET**

**MANAGEMENT’S DISCUSSION & ANALYSIS  
December 31, 2024**

The Agency is a corporate and politic body organized under the laws of the State of New Jersey. The Carteret Redevelopment Agency (the “Agency”) is a component-unit of the Borough of Carteret, County of Middlesex, New Jersey (the “Borough”). The following Management’s Discussion and Analysis of the activities and financial performance of the Agency provide an introduction to the financial statements of the Agency for the year ended December 31, 2024. Please read it in conjunction with the Agency’s financial statements and accompanying notes.

The Management’s Discussion and Analysis is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, issued June 1999.

**FINANCIAL HIGHLIGHTS**

Net Position increased by \$43,924 due to decreases in Administrative Expenses to the General Fund.

Operating activities consisted of \$457,420 of local subsidy, and \$578,934 of miscellaneous revenue.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This report consists of two parts: management’s discussion and analysis (this section) and the basic financial statements. The Agency is a special-purpose government that engages in a single governmental activity program, and has elected to combine the government-wide and fund financial statements. The basic financial statements include the two kinds of combined statements that present different views of the Agency:

- **Government-wide financial statements** provide both short-term and long-term information about the Agency’s overall financial status. The government-wide financial statements are designed to provide readers with a broad overview of the agency’s finances, in a manner similar to a private sector business.
- **Fund financial statements** that focus on individual parts of the Agency, reporting the Agency’s operations in more detail than the district-wide statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Agency can be categorized into one category – governmental funds.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike governmental-wide financial statements, governmental fund financial statements focus on current resources uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

The *Statement of Net Position and Governmental Funds Balance Sheet* presents the Agency’s fund financial statements adjusted to the government-wide financial statements.

The *Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance* presents the Agency’s fund financial statements adjusted to the government-wide financial statements.

**Fiduciary Funds** – Fiduciary Funds are used to account for assets held by the Agency in a Trustee capacity or as an agent for individuals, private organizations, or other governments and/or other funds.

**Notes to Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements can be found as listed in the table of contents.

## **REQUIRED FINANCIAL STATEMENTS**

The financial statements report information about the Agency using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities.

The *Statement of Net Position* includes all of the Agency’s assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Agency creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency.

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

The other required financial statement is the *Statement of Cash Flows*. The primary purpose of this statement is to provide information about the Agency’s cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities, and provides answers to such questions as “where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period?”

## **FINANCIAL ANALYSIS OF THE AGENCY**

One of the most important questions asked about the Agency’s finances is “Is the Agency, as a whole, better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Revenues, Expenses, and Net Position report information about the Agency’s activities in a way that will help answer this question. These two statements report the net position of the Agency, and changes in them. You can think of the Agency’s net position – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in the Agency’s net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to also consider other non-financial factors such as changes in economic conditions, customer growth, and legislative mandates.

## Net Position

The Agency's total net position increased from last year by \$43,924 or 13.20%. The analysis which follows focuses on the Agency's net position (Table 1) and changes in net position (Table 2) during the year.

Table 1  
Net Position

	Governmental Activities 2024	Governmental Activities 2023	% Increase (Decrease)
<b>Assets</b>			
Current & Other Assets	\$ 387,321	\$ 384,538	0.72%
Accounts Receivable	20,239	20,239	0.00%
Pledged Annual Service Charges Receivable	9,968,419	12,640,235	-21.14%
Capital Assets	2,248,496	2,248,496	0.00%
<b>Total Assets</b>	<b>12,624,475</b>	<b>15,293,508</b>	<b>-20.42%</b>
<b>Deferred Outflows</b>	<b>3,772</b>	<b>4,386</b>	<b>-14.00%</b>
<b>Liabilities</b>			
Current & Other Liabilities	2,842,949	2,805,033	1.35%
Long Term Liabilities	7,291,457	10,044,670	-27.41%
<b>Total Liabilities</b>	<b>10,134,406</b>	<b>12,849,703</b>	<b>-21.13%</b>
<b>Deferred Inflows</b>	<b>7,565</b>	<b>5,839</b>	<b>29.56%</b>
<b>Net Position</b>			
Net Assets Invested in			
Capital Assets (Net of Debt)	2,248,496	2,248,496	0.00%
Restricted	380,432	358,205	6.21%
Unrestricted	(142,652)	(164,349)	-13.20%
<b>Total Net Position</b>	<b>\$ 2,486,276</b>	<b>\$ 2,442,352</b>	<b>1.80%</b>

## Results of Operations

Changes in the Agency’s net position can be determined by reviewing the following condensed Statement of Revenues, Expenses, and Changes in Net Position for the year.

Table 2  
Change in Net Position

	2024	2023	Increase (Decrease)
<b>Revenues</b>			
<b>General Revenues</b>			
Local Subsidy	\$ 457,420	\$ 523,559	\$ (66,139)
Interest & Miscellaneous	578,934	539,851	39,083
<b>Total General Revenues</b>	<u>1,036,354</u>	<u>1,063,410</u>	<u>(27,056)</u>
<b>Function/Program Expense</b>			
Redevelopment- Operations	564,174	741,951	(177,777)
Interest on Debt	428,256	496,407	(68,151)
<b>Total Expense</b>	<u>992,430</u>	<u>1,238,358</u>	<u>(245,928)</u>
Excess/(Deficit) in Revenues	43,924	(174,948)	218,872
Net Position, January 1	<u>2,442,352</u>	<u>2,617,300</u>	<u>(174,948)</u>
<b>Net Position, December 31</b>	<u>\$ 2,486,276</u>	<u>\$ 2,442,352</u>	<u>\$ 43,924</u>

While the Statements of Net Position shows the change in financial position of net position, the Statements of Revenues, Expenses and Changes in Net Position, provides answers as to the nature and source of these changes. As can be seen in Table 2 above, the decrease in Local Subsidy of \$66,139 and the increase in Interest & Miscellaneous of \$39,083 in Fiscal 2024. A closer examination of the individual categories affecting the source of changes in net position is discussed below.

### Revenues:

Table 2 shows that “Total Revenues” decreased by \$27,056 or 2.54% in Fiscal Year 2024 vs. Fiscal Year 2023.

### Expenses:

A further review of Table 2 reveals that “Total Expenses” decreased by \$245,928 or 19.86% in Fiscal Year 2024 vs. Fiscal Year 2023.

## Capital Assets

At the end of the fiscal year 2024, the Agency had \$2,248,496 in land within the Governmental Activities Funds. No depreciation was recorded during the year, as such assets were inexhaustible (such as land) or not placed in service.

## Debt Administration

At the end of fiscal year 2024, the Agency had \$9,968,419 in Bonds and Loans outstanding compared to \$12,640,235 in 2023 which equates to decrease of \$2,671,816 or 21.14%. The existing balance of the long term debt amounts are shown below:

<u>Description</u>	<u>Amount</u>
Environmental Infrastructure Trust & Fund Loans	\$ 4,923,419
Revenue Bonds, Series 2008A	1,155,000
Revenue Bonds, Series 2012C	3,240,000
Revenue Bonds, Series 2014	650,000
	<u>\$ 9,968,419</u>

## Contacting The Agency's Financial Management

This financial report is designed to provide the Agency's rate payers, creditors and bond holders with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Eric F. M. Chubenko, the Agency's Executive Director at Carteret Redevelopment Agency, 61 Cooke Avenue, Carteret, NJ 07008, or e-mail [carteretredevelopment@gmail.com](mailto:carteretredevelopment@gmail.com).

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**CARTERET REDEVELOPMENT AGENCY**  
**Government-wide Statement of Net Position**  
**December 31, 2024**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents - Unrestricted (Note 3)	\$ 57,769
Cash and Cash Equivalents - Restricted (Note 3)	329,552
Accounts Receivable - Restricted (Note 4)	20,239
Total Current Assets	407,560
Noncurrent Assets:	
Pledged Annual Service Charges Receivable - Borough of Carteret (Note 10)	9,968,419
Total Noncurrent Assets	9,968,419
Capital Assets, Net:	
Nondepreciable (Note 5)	2,248,496
Total Capital Assets	2,248,496
Total Assets	12,624,475
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pensions (Note 7)	3,772
Total Deferred Outflow of Resources	3,772
Total Assets and Deferred Outflow of Resources	\$ 12,628,247
<b>LIABILITIES AND NET POSITION</b>	
Current Liabilities:	
Accrued Interest	\$ 97,703
Current Portion Bonds & Loans Payable (Note 6)	2,745,246
Total Current Liabilities	2,842,949
Noncurrent Liabilities:	
Bonds & Loans Payable, Net of Current Portion (Note 6)	7,223,173
Net Pension Liability (Note 7)	68,284
Total Noncurrent Liabilities	7,291,457
Total Liabilities	10,134,406
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows Related to Pensions (Note 7)	7,565
Total Deferred Inflow of Resources	7,565
Total Liabilities and Deferred Inflow of Resources	10,141,971
Net Position:	
Net Investment in Capital Assets	2,248,496
Restricted For:	
Escrow	349,791
Debt Service	30,641
Unrestricted	(142,652)
Total Net Position	2,486,276
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 12,628,247

The accompanying notes are an integral part of these financial statements.

**CARTERET REDEVELOPMENT AGENCY**  
**Government-wide Statement of Activities**  
**For the year ended December 31, 2024**

	<b>Expenses</b>	<b>Governmental Activities</b>
Governmental Activities:		
Operating Appropriations:		
Administration	\$ 564,174	\$ 564,174
Interest Expense	428,256	428,256
Total Governmental Activities	\$ 992,430	992,430
General Revenues:		
Miscellaneous Revenue		578,934
Local Subsidy		457,420
Total General Revenues		1,036,354
Change in Net Position		43,924
Net Position, January 1		2,442,352
Net Position, December 31		\$ 2,486,276

The accompanying notes are an integral part of these financial statements.

**CARTERET REDEVELOPMENT AGENCY**  
**Governmental Funds**  
**Balance Sheet**  
**December 31, 2024**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
Assets:			
Current Assets:			
Cash and Cash Equivalents - Restricted	\$ 27,128	\$ 30,641	\$ 57,769
Cash & Cash Equivalents - Unrestricted	329,552	-	329,552
Accounts Receivable	20,239	-	20,239
Total Current Assets	376,919	30,641	407,560
Total Assets	\$ 376,919	\$ 30,641	\$ 407,560
Fund Balances:			
Restricted For:			
Escrow	\$ 349,791	\$ -	\$ 349,791
Debt Service	-	30,641	30,641
Unassigned, Reported In:			
General Fund	27,128	-	27,128
Total Fund Balances	376,919	30,641	407,560
Total Liabilities and Fund Balances	\$ 376,919	\$ 30,641	
Amounts reported for governmental activities in the government-wide statement of net position (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,248,496 and the accumulated depreciation is \$0.			2,248,496
Accrued interest payable is not recorded in the fund financial statements due to the fact that the payable is not due in the period.			(97,703)
Accrued pension payable is not recorded in the fund financial statements due to the fact that payable is not due in the period.			(68,284)
Deferred outflows and inflows of resources related to pensions and other post-employment health benefits are applicable to future reporting periods and, therefore, are not reported in the funds.			(3,793)
Net position of governmental activities			\$ 2,486,276

The accompanying notes are an integral part of these financial statements.

**CARTERET REDEVELOPMENT AGENCY**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the year ended December 31, 2024**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Rental Income	\$ 544,374	\$ -	\$ 544,374
Pledged Annual Service Charges	-	3,129,236	3,129,236
Miscellaneous Revenues	22,583	-	22,583
	<hr/>	<hr/>	<hr/>
Total Revenues	566,957	3,129,236	3,696,193
	<hr/>	<hr/>	<hr/>
Total Anticipated Revenues	566,957	3,129,236	3,696,193
	<hr/>	<hr/>	<hr/>
Expenditures:			
Operating Appropriations:			
Administration:			
Salaries and Wages	172,251	-	172,251
Fringe Benefits	57,128	-	57,128
Other Expenditures:			
Insurance Costs	17,970	-	17,970
Office Supplies, Postage and Advertising	19,683	-	19,683
Professional Services	169,881	-	169,881
Repairs & Maintenance	6,900	-	6,900
Utilities	29,823	-	29,823
Taxes & Licenses	90,538	-	90,538
	<hr/>	<hr/>	<hr/>
Total Administration	564,174	-	564,174
	<hr/>	<hr/>	<hr/>
Debt Service:			
Principal	-	2,671,816	2,671,816
Interest on bonds payable	-	457,420	457,420
	<hr/>	<hr/>	<hr/>
Total Debt Service	-	3,129,236	3,129,236
	<hr/>	<hr/>	<hr/>
Total Operating Appropriations	564,174	3,129,236	3,693,410
	<hr/>	<hr/>	<hr/>
Excess (efficiency) of revenues over (under) expenditures before other financing sources/(uses)	2,783	-	2,783
	<hr/>	<hr/>	<hr/>
Fund Balance, January 1	374,136	30,641	404,777
	<hr/>	<hr/>	<hr/>
Fund Balance, December 31	\$ 376,919	\$ 30,641	\$ 407,560
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

**CARTERET REDEVELOPMENT AGENCY**  
**Reconciliation of Governmental Funds Statement of Revenues,**  
**Expenditures and Changes in Fund Balance**  
**to the Government-wide Statement of Activities**  
**December 31, 2024**

Total net changes in Fund Balance-Governmental Funds (B-2)	\$	2,783
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Amounts reported for governmental activities in the government-wide statement of activities (A-2) are different because:

Accrual of interest on bond and notes payable is not an expenditure in the governmental funds, but the adjustment is charged to expense and is reported in the government-wide statement of activities.

	Prior year	126,867	
	Current year	<u>(97,703)</u>	
			29,164

Agency pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the government-wide statement of net position because the reported net pension liability is measured a year before the Agency's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pension, is reported in the government-wide statement of activities.

	Pension contributions	<u>11,977</u>	
			<u>11,977</u>

Changes in net position of governmental activities	\$	<u><u>43,924</u></u>
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The accompanying notes are an integral part of these financial statements.

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**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements**  
**For the year ended December 31, 2024**

**NOTE 1: GENERAL INFORMATION**

**Description of Reporting Entity**

Carteret Redevelopment Agency (hereafter referred to as the Agency), is a public body corporate and politic body organized under the laws of the State of New Jersey and was created by an ordinance adopted by the governing body, effective in December 2000, of the Borough of Carteret (the Borough), a municipal corporation of the State of New Jersey located in the County of Middlesex. The Agency was created for the purpose of fostering the economic development of the community, specifically the revitalizing of the designated District's within the boundaries of Borough of Carteret.

A board of seven commissioners (the Board) oversees all of the operations of the Agency. Each of whom shall be appointed by the Mayor with the advice and consent of the Borough Council.

New Jersey Statutes provide for the creation, dissolution and operations of separate bodies corporate and politic for the purpose of fostering the economic development of the community (Redevelopment Agency). These statutes were enacted pursuant to Chapter 79 of the Laws of New Jersey 1992, under *NJSA 40A:12A-1* through *40A:12A-9*. Additional statutory requirements relating to the financial operations of independent local authorities were established as the "Local Authorities Fiscal Control Law", which is codified as *NJSA 40A:5A-1 et seq.* The provisions of the Local Authorities Fiscal Control Law established the Local Finance Board and the Division of Local Government Services, in the Department of Community Affairs (DCA), State of New Jersey, as oversight agencies for the creation, project financing, budgeting and overall financial condition of local authorities.

The Local Finance Board adopted the approving resolution on January 10, 2001 approving the Borough's request for establishment of a redevelopment agency. The Borough adopted the enacting ordinance on February 1, 2001. The Agency began operation during the calendar year 2001, accordingly, the year ended December 31, 2001 represents the first year of operation.

As a public body, under existing statute, the Authority is exempt from both federal and state taxes.

The Agency is considered to be a "Component Unit" of the Borough under accounting principles generally accepted in the United State of America (GAAP) however, the Borough does not follow GAAP for accounting and financial reporting purposes rather it follows a regulatory basis of accounting, utilizing accounting principles which differ, in some cases significantly, from GAAP. Of particular note is the exclusion from the Borough's financial statements of potential component units, based on the separate legal status of these units. Accordingly, the financial statements of the Borough do not include the Agency as a component unit.

The primary criterion for including activities within the Agency's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- the organization is legally separate (can sue or be sued in their own name);
- the Agency hold the corporate powers of the organization;
- the Agency appoints a voting majority of the organization's board;
- the Agency is able to impose its will on the organization;
- the organization has the potential to impose financial benefit/burden on the Agency;
- there is a fiscal dependency by the organization on the Agency.

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 1: GENERAL INFORMATION (Continued)**

**Description of Reporting Entity (Continued)**

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the Agency is not includable in any other reporting entity on the basis of such criteria.

**Accounting Records**

The official accounting records of the Agency are maintained in the office of the Agency.

**Minutes**

Minutes were recorded for meetings and contained approvals for disbursements.

**Component Units**

GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34 and GASB Statement No. 80, Blending Requirements for Certain Component Units*. The Agency did not have a component unit as of and for the year ended December 31, 2024.

**Governmental Accounting Standards Board (“GASB”) Statement No. 34**

The Authority adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* during the eight months ended May 31, 2003. Statement 34 establishes standards for external financial reporting for all state and local governmental entities, which includes a Management’s Discussion and Analysis section, a Balance Sheet, a Statement of Revenues, Expenses and Change in Net Assets and a Statement of Cash Flows.

It requires the classification of Net Assets into three components – Net Investment in Capital Assets; Restricted for Debt Service; and Unrestricted.

The adoption of Statement 34 had little effect on the basic financial statements except for the classification of net assets, the reflection of capital contributions as a change in net assets, presentation of the Statement of Cash Flows using the direct method, and the inclusion of Management’s Discussion and Analysis (MD&A) section providing an analysis of the Authority’s overall financial position and results of operations.

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 1: GENERAL INFORMATION (Continued)**

**Governmental Accounting Standards Board (“GASB”) Statement No. 34 (Continued)**

Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of the Agency conform to GAAP applicable to governmental funds of state and local governments in accordance with the provisions of *N.J.A.C. 5:31-7-1*. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board’s accounting policies are described below.

The government wide financial statements report using the economic resources measurement focus and the accrual basis of accounting generally includes the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon thereafter, within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

**Fund Accounting**

The accounts of the Agency are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into two categories: governmental and proprietary. Each category, in turn is divided into separate “fund types.”

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Accounting (Continued)**

**Governmental Funds:**

*General Fund*

The General Fund is the general operating fund of the Agency. It is used to account for all financial resources except those required to be accounted for in another fund. All revenues and receipts that are not restricted by law or contractual agreement are accounted for in this fund. General operating expenditures that are not paid through other funds are paid from the General Fund.

*Debt Service Fund*

The Debt Service Fund is used to account for resources that will be used to service general long-term debt.

**Government Wide and Fund Financial Statements**

The government wide financial statements (A-1 and A-2) include the government wide statement of net position and the government wide statement of activities. These statements report financial information of the Agency as a whole.

All inter-fund activity has been eliminated in the government wide statement of activities. Individual funds are not displayed but the statements distinguish governmental activities as generally supported through taxes and user fees. The government wide statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The Agency does not allocate general government (indirect) expenses to other functions.

Net position is restricted when constraints placed on it is either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the Agency's policy to use restricted resources first, and then unrestricted resources as they are needed.

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Governmental Wide and Fund Financial Statements (Continued)**

*Fund Financial Statements*

The fund financial statements provide detail of the governmental funds. Separate financial statements are provided for governmental funds, proprietary funds, and similar component units, and major component units. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net position.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, private purpose trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

In its accounting and financial reporting, the Agency follows the pronouncements of the GASB.

**Budgets and Budgetary Accounting**

The Agency must adopt an annual budget in accordance with *N.J.S.A. 40A: 14-78.1 et al.*

The Board must introduce and adopt the annual budget no later than sixty days prior to the annual election. At introduction, the commissioners shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper having substantial circulation in the Agency. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the fire commissioners may, by majority vote, adopt the budget.

Amendments may be made to the Agency budget in accordance with *N.J.S.A 40A: 14-78.3*. The budget may be amended subsequent to its final adoption and approval for additional items of revenue with offsetting appropriations in accordance with *N.J.S.A 40A: 14-78.5*. Subsequent to the adoption of the Agency budget, the amount of money to be raised by taxation in support of the Agency budget must appear on the ballot for the annual election for approval of the legal voters.

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgets and Budgetary Accounting (continued)**

The Agency have a prescribed budgetary basis to demonstrate legal compliance. However, budgets are adopted on principally the same basis of accounting utilized for the preparation of the Agency's general-purpose financial statements.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount 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. Actual results could differ from those estimates.

**Recent Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Agency's financial statements.

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2024:

- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Management has determined that the implementation of these Statements did not have a significant impact on the Agency's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

The following accounting pronouncements will become effective in future reporting periods:

- Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.
- Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.
- Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Management has not yet determined the potential impact these Statements will have on the Agency's financial statements.

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**Fair Value Measurement**

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

**Cash and cash equivalents and short-term investments** – The carrying amount approximates fair value because of the short maturity of those instruments.

**Long-term investments** – The fair values of long-term investments are estimated based on quoted market prices for those or similar investments.

**Long-term debt** – The Authority’s long-term debt is stated at face value, net of unamortized discounts and premiums. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Agency’s long-term debt is provided in Note 7.

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds and cash in banks. The Agency is required by *N.J.S.A. 40A: 5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey organized under the laws of the United States or of the State of New Jersey or with the New Jersey Cash Management Fund. *N.J.S.A. 40A: 5-15.1* provides a list of investments that may be purchased by the Agency.

*N.J.S.A. 17:9-42* requires New Jersey governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the provision of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in the State of New Jersey. Public funds are defined as the funds of any governmental unit. Public depositories include savings and loan institutions, banks (both State and National banks) and savings banks the deposits of which they are federally insured. All public depositories must pledge collateral, having a market value of five percent of its average daily balance of collected public funds, to secure the deposits of governmental units. If public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Investments consist of certificates of deposit and direct obligations of the U.S. Government, U.S. Government Agencies, repurchase agreements and investments in money market funds and are valued at cost or amortized cost, which approximates market.

**Local Subsidy Receivable**

Local subsidy receivable at December 31, 2024 consisted of the amount of \$0.00 due from the Borough, pursuant to the 2024 local subsidy agreement.

**Pledged Annual Service Charges Receivable**

Annual Service Charge represents the amount the Redeveloper Entity shall pay the Borough (directed to the Trustee in accordance with Financial Agreement) in order to make the requisite debt service payments.

**Capital Assets**

Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. The Agency has set capitalization thresholds for reporting capital assets of \$5,000. Capital assets are recorded in the government wide financial statement, but are not reported in the fund financial statements. Depreciation is recorded on the straight-line method (with no depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

Buildings and land improvements	20 to 50 Years
Equipment	5 to 15 Years

Capital assets not being depreciated include land and construction in progress.

The Agency does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

The Capital Assets recorded do not include assets acquired by the Redeveloper and transferred to the agency for holding until requisitioned for project construction and utilization.

**Restricted Assets**

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as capital requirements and proceeds from the issuing of the bonds related to the capital project.

**Other Receivables and Payables**

Other receivables and payables are interfund receivables and payables that arise from transactions between funds that are due within one year are recorded by all funds affected by such transactions in the periods in which the transaction is executed.

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Long-term Obligations**

In the government wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

The fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Unamortized Debt Issuance Costs**

Previously, deferred debt costs incurred with the various bond issues of the Agency were being amortized over the life of the respective issues. With the implementation of GASB 65, prior debt issue costs have been expensed and all current and future debt issue costs are and will also be expensed in the year in which the debt is issued.

**Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the governmental wide statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the governmental wide statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**Pensions**

For purposes of measuring the net pension, deferred outflows of resources and deferred inflows of resources related to pensions and pension expenses, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plan. For these purposes, 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.

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Equity**

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Agency classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making Agency and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Commissioners.
- Unassigned – includes balance within the General Fund which has not been classified within the aforementioned categories and negative fund balances in other governmental funds.

Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**Net Position**

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Agency or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**Encumbrances**

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances, other than in the special revenue fund, are reported as reservations of fund balances at year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Encumbered appropriations carry over into the next fiscal year. An entry will be made at the beginning of the next year to increase the appropriation reflected in the adopted budget by the outstanding encumbrance amounts as of the current year-end. There were no encumbrances at December 31, 2024.

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenues and Expenditures – Governmental Funds**

Revenues are recorded when they are determined to be both available and measurable. Generally, fees and other non-tax revenues are recognized when qualifying expenditures are incurred.

Expenditures are recorded when the related liability is incurred, if measurable, except for un-matured interest on general long-term debt, which is recognized when due.

**NOTE 3: DEPOSITS, CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Agency is governed by the deposit and investment limitations of New Jersey state law. The deposits held at December 31, 2024, and reported at fair value are as follows:

Type	Carrying Value
<b>Deposits:</b>	
Total Deposits	\$ 439,207
<b>Reconciliation to the Governmental Funds</b>	
General Fund	408,566
Debt Service Fund	<u>30,641</u>
<b>Total</b>	<u><u>\$ 439,207</u></u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Agency's deposits may not be returned. The Agency does not have a deposit policy for custodial credit risk. As of December 31, 2024, the Agency's bank balance of \$439,207 was insured or collateralized as follows:

Insured - FDIC	\$ 250,000
Collateralized in the Agency's name under GUDPA	<u>189,207</u>
<b>Total</b>	<u><u>\$ 439,207</u></u>

**NOTE 4: ACCOUNTS RECEIVABLE**

As of December 31, 2024, accounts receivables consisted of the following:

Annual Service Charges Receivable	\$ 9,968,419
Small Business Loan Receivable	<u>20,239</u>
<b>Total</b>	<u><u>\$ 9,988,658</u></u>

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 5: CAPITAL ASSETS**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets That Are Not Being Depreciated:				
Land	\$ 2,248,496	\$ -	\$ -	\$ 2,248,496
Total Capital Assets That Are Not Being Depreciated	<u>2,248,496</u>	<u>-</u>	<u>-</u>	<u>2,248,496</u>
Total Capital Assets Being Depreciated				
Net of Accumulated Depreciation	<u>2,248,496</u>	<u>-</u>	<u>-</u>	<u>2,248,496</u>
Total Capital Assets	<u>\$ 2,248,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,248,496</u>

**Reconciliation to the Governmental Funds**

Governmental Funds	\$ 2,248,496
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**NOTE 6: LONG-TERM OBLIGATIONS**

During the fiscal year ended December 31, 2024 the following changes occurred in liabilities reported in long-term debt:

	<u>Beginning Balance</u>	<u>Accrued/ Increases</u>	<u>(Retired)/ (Decreases)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue Bonds Payable	\$ 5,350,000	\$ -	\$ 305,000	\$ 5,045,000	\$ 320,000
Loans Payable	7,290,235	-	2,366,816	4,923,419	2,425,246
Net Pension Liability	76,251	-	7,967	68,284	-
Total	<u>\$ 12,716,486</u>	<u>\$ -</u>	<u>\$ 2,679,783</u>	<u>\$ 10,036,703</u>	<u>\$ 2,745,246</u>

**Loans Payable (Conduit Debt)**

The New Jersey Environmental Infrastructure Trust issued Series 2006B Bonds on behalf of the Carteret Redevelopment Agency, and pursuant to the issuance has established a Trust Loan Agreement in the amount of \$20,180,000 and a Fund Loan Agreement in the amount of \$18,292,833, which totals \$38,472,833, dated November 9, 2006. The Agency received Principal Savings Credits of \$1,570,000 from the New Jersey Environmental Infrastructure Trust during the year ending December 31, 2016. The savings credits apply to payments commencing on February 1, 2016 and ending August 1, 2026. The Bonds are guaranteed by the Borough of Carteret, County of Middlesex, and the Redeveloper Urban Renewal Entity, subject to the Panattoni Agency Guaranty Agreements. During 2011, the Panattoni Agency Guaranty Agreements have been assigned to KTR Partners. Additionally, the Borough of Carteret has executed a Financial Agreement with the Redeveloper Urban Renewal Entity. Principal and interest due on loans outstanding is as follows:

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 6: LONG-TERM OBLIGATIONS (Continued)**

**Schedule of Annual Debt Service for Principal and Interest for Loan Debt Issued and Outstanding**

**New Jersey Environmental Infrastructure Trust 2006B – Fund Loan Agreement**

Payment due dates are February 1 and August 1, Respectively at 0% Interest.

<b>For the Year Ended</b>	<b>Principal</b>
<b>December 31,</b>	
2025	\$ 975,246
2026	<u>978,173</u>
Total	<u>\$ 1,953,419</u>

**New Jersey Environmental infrastructure Trust 2006B – Trust Loan Agreement**

Payment due dates are August 1 at a multiple interest rate between 4% and 5%.

<b>For the Year Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>December 31,</b>			
2025	\$ 1,450,000	\$ 133,650	\$ 1,583,650
2026	<u>1,520,000</u>	<u>68,400</u>	<u>1,588,400</u>
Total	<u>\$ 2,970,000</u>	<u>\$ 202,050</u>	<u>\$ 3,172,050</u>

**Revenue Bonds Payable Series 2008A**

The Agency issued \$1,750,000 Revenue Bonds, Series 2008A (Borough Guaranteed) related to the Lower Roosevelt Avenue Redevelopment Project. The Bonds consist of Term Bonds with principal requirements ranging from \$295,000 - \$675,000 and interest rates 4.250% - 5.375%, subject to mandatory sinking fund requirements.

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 6: LONG-TERM OBLIGATIONS (Continued)**

**Security and Source of Payments for the Revenue Bonds Payable, Series 2008A**

The Obligations constitute special limited obligations of the Agency payable from and secured by the assignment of Annual Service Charges due and payable under the Financial Agreement by and between the Borough of Carteret and Gateway at Carteret Urban Renewal, LLC., dated July 31, 2007, and the Financial Agreement by and between the Borough of Carteret and Camelot at Carteret Urban Renewal, LLC., dated July 31, 2007, the special assessment payments due and payable under the Special Assessments Agreement by and between the Borough of Carteret and Gateway at Carteret Urban Renewal, LLC., dated November 1, 2008, and the Special Assessments Agreement by and between the Borough of Carteret and Camelot at Carteret Urban Renewal, LLC., dated November 1, 2008, and by proceeds of the obligations held by the Trustee in certain funds pursuant to the Indenture.

<b>For the Year Ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 60,000	\$ 60,650	\$ 120,650
2026	60,000	57,650	117,650
2027	65,000	54,650	119,650
2028	70,000	51,400	121,400
2029	70,000	47,813	117,813
2030	75,000	44,225	119,225
2031	80,000	40,381	120,381
2032	85,000	36,281	121,281
2033	85,000	31,713	116,713
2034	90,000	27,144	117,144
2035	95,000	22,306	117,306
2036	100,000	17,200	117,200
2037	105,000	11,825	116,825
2038	115,000	6,181	121,181
Total	<u>\$ 1,155,000</u>	<u>\$ 509,419</u>	<u>\$ 1,664,419</u>

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 6: LONG-TERM OBLIGATIONS (Continued)**

**Revenue Bonds Payable Series 2012C**

The Agency issued \$4,625,000 Revenue Bonds, Series 2012C (Borough Guaranteed) related to the Lower Roosevelt Avenue Redevelopment Project. The Bonds consist of Term Bonds with principal requirements ranging from \$100,000 - \$280,000 and interest rates 1.173% - 4.850%, which subject to mandatory sinking fund requirements, maturing in years 2013 through 2040.

The Bonds were issued to currently refund the principal of the Agency's \$4,500,000 Project Note, Series 2010B (Lower Roosevelt Avenue Development Project) dated and issued November 23, 2010 and maturing on November 21, 2012.

**Security and Source of Payments for the Revenue Bonds Payable, Series 2012C**

The Bonds constitute special, limited obligations of the Agency which, along with the Series 2008A Bonds and any other Outstanding Obligations, are payable from and secured by, on a pro rata basis, based on the outstanding principal amount of the respective Obligations, the Trust Estate pursuant to the Indenture. The Trust Estate includes a pledge of the Annual Service Charges (as defined herein) due and payable under the Second Amended Financial Agreement by and between the Borough of Carteret and Gateway at Carteret Urban Renewal, LLC., dated September 24, 2012, and the Financial Agreement by and between the Borough of Carteret and Camelot at Carteret Urban Renewal, LLC., dated as of July 31, 2007 (together, the "Financial Agreements"), and by proceeds of the Bonds, the Series 2008A Bonds, and any other Outstanding Obligations, as applicable, held by the Trustee in certain funds pursuant to the Indenture.

<b>For the Year Ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 140,000	\$ 152,371	\$ 292,371
2026	150,000	146,623	296,623
2027	155,000	140,464	295,464
2028	160,000	133,425	293,425
2029	170,000	126,160	296,160
2030	175,000	118,440	293,440
2031	185,000	110,493	295,493
2032	195,000	102,093	297,093
2033	200,000	92,635	292,635
2034	210,000	82,935	292,935
2035	220,000	72,750	292,750
2036	230,000	62,080	292,080
2037	245,000	50,925	295,925
2038	255,000	39,043	294,043
2039	270,000	26,675	296,675
2040	280,000	13,580	293,580
Total	<u>\$ 3,240,000</u>	<u>\$ 1,470,692</u>	<u>\$ 4,710,692</u>

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 6: LONG-TERM OBLIGATIONS (Continued)**

**Revenue Bonds Payable Series 2014**

The Agency issued \$2,100,000 Revenue Bonds, Series 2014 (Federally Taxable) related to the Washington Avenue Redevelopment Project. The Bonds consist of Term Bonds with principal requirements as listed below and interest rates ranging between 0.624% - 4.721%, which subject to mandatory sinking fund requirements, maturing in years 2015 through 2029. The Bonds were issued to refund Project Notes, Series 2013 A and Project Note, Series 2013 B, respectively.

<b>For the Year Ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 120,000	\$ 30,687	\$ 150,687
2026	125,000	25,021	150,021
2027	130,000	19,120	149,120
2028	135,000	12,983	147,983
2029	140,000	6,609	146,609
Total	<u>\$ 650,000</u>	<u>\$ 94,420</u>	<u>\$ 744,420</u>

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 7. PENSION OBLIGATIONS**

**Public Employees' Retirement System (PERS)**

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

**Basis of Presentation** - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2024, the State's pension contribution was more than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 7. PENSION OBLIGATIONS (CONTINUED)**

**Public Employees' Retirement System (PERS) (continued)**

normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2024, the Agency's contractually required contribution to PERS plan was \$6,838.

**Components of Net Pension Liability** - At December 31, 2024, the Agency's proportionate share of the PERS net pension liability was \$68,284. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Agency's proportion of the net pension liability was based on the Agency's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The Agency's proportion measured as of June 30, 2024, was 0.0005025279% which was a decrease of 0.0000239110% from its proportion measured as of June 30, 2023.

**Balances at December 31, 2024 and December 31, 2023**

	<u>12/31/2024</u>	<u>12/31/2023</u>
Actuarial valuation date (including roll forward)	June 30, 2024	June 30, 2023
Deferred Outflows of Resources	\$ 3,772	\$ 4,386
Deferred Inflows of Resources	7,565	5,839
Net Pension Liability	68,284	76,251
Agency's portion of the Plan's total Net Pension Liability	0.00050%	0.00053%

**Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources** - At December 31, 2024, the Agency's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2024 measurement date is \$1,211.

At December 31, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 7. PENSION OBLIGATIONS (CONTINUED)**

**Public Employees' Retirement System (PERS) (continued)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 1,368	\$ 182
Changes of Assumptions	85	777
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	3,166
Changes in Proportion and Differences between Agency Contributions and Proportionate Share of Contributions	2,319	3,440
	\$ 3,772	\$ 7,565

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<b><u>Year Ending December 31,</u></b>	<b><u>Amount</u></b>
2025	\$ (3,123)
2026	2,019
2027	(1,515)
2028	(969)
2029	(205)
	\$ (3,793)

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 7. PENSION OBLIGATIONS (CONTINUED)**

**Public Employees' Retirement System (PERS) (continued)**

**Special Funding Situation** – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the Agency as of December 31, 2024. At December 31, 2024, the State's proportionate share of the PERS expense, associated with the Agency, calculated by the plan as of the June 30, 2024 measurement date was \$220.

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with updated procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 7. PENSION OBLIGATIONS (CONTINUED)**

**Public Employees' Retirement System (PERS) (continued)**

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 valuation were 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) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 7. PENSION OBLIGATIONS (CONTINUED)**

**Public Employees' Retirement System (PERS) (continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**Sensitivity of the 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 calculated using the discount rate as disclosed above, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Agency's Proportionate Share of the Net Pension Liability	<u>\$ 91,496</u>	<u>\$ 68,284</u>	<u>\$ 49,594</u>

**NOTE 8: OPERATING LEASES**

The Agency did not enter into any operating lease agreements during 2024 or in prior years, and accordingly no future minimum lease payments disclosed.

**NOTE 9: COMPENSATED ABSENCES**

The Agency has not adopted a compensated absence policy for the years ended December 31, 2024 and prior, and accordingly no expenditures or accruals have been made.

**NOTE 10: ANNUAL SERVICE CHARGES RECEIVABLE**

The Borough of Carteret has executed a Financial Agreement with Titan-PDC Carteret Urban Renewal, LLC, assumed by KTR Partners, setting forth annual service charges to be received in conjunction with the Carteret Landfill Redevelopment Project. The annual service charges represent pledged and unpledged amounts due to the Borough and the Borough has assigned the annual service charges, which are pledged to the Carteret Redevelopment Agency, for payment of debt service requirements as detailed in the Financial Agreement, dated August 18, 2006, as amended.

**CARTERET REDEVELOPMENT AGENCY**  
**Notes to Financial Statements (continued)**  
**For the year ended December 31, 2024**

**NOTE 10: ANNUAL SERVICE CHARGES RECEIVABLE (Continued)**

The Borough has executed a Financial Agreement with Camelot at Carteret Urban Renewal, LLC setting forth annual service charges for the Lower Roosevelt Avenue Redevelopment Project. The annual services charges represent pledged and unpledged amounts due to the Borough and the Borough has assigned the annual service charge, which are pledged to the Carteret Redevelopment Agency for payment of debt service requirements as detailed in Articles 4 & 5 “Debt Service portion of Pledged Annual Service Charge”, Financial Agreement, dated July 31, 2007.

The Agency has recorded the amount of \$9,968,419 in its entity-wide Statement of Net Position as of December 31, 2024 for the pledged annual service charges receivable, which represents the total bond and loan principal outstanding and subject to the pledged annual service charge agreements with respect to the Carteret Landfill Redevelopment Project.

**NOTE 11: CARA DEVELOPMENT ACCOUNT**

The Carteret Redevelopment Agency adopted by resolution authorization to execute a memorandum of agreement with the Borough of Carteret for the future development account (CARA Development Account) funded and controlled by the Borough of Carteret. The executed agreement contains Article I, which sets forth the requirements of the future development account.

The Carteret Redevelopment Agency adopted resolution number 07-18 granting a loan from the CARA Development Account, pursuant to authorization and direction from the Borough of Carteret. The Loan will be amortized over a seven-year period bearing a 6 % rate of interest.

The Carteret Redevelopment Agency adopted resolution number 09-14 granting a loan from the CARA Development Account, pursuant to authorization and direction from the Borough of Carteret. The Loan will be amortized over a seven-year period bearing a 6 % rate of interest.

The Carteret Redevelopment Agency reports the CARA Development Account within the General Fund as reported in the Agency’s financial statements.

**NOTE 12: FUND BALANCE(S)**

**General Fund** - Of the total General Fund Balance at December 31, 2024, \$27,128 is reported as unassigned and \$349,791 is reported as Reserve for Escrow.

**Debt Service Fund** - Of the \$30,641, total Debt Service Fund Balance at December 31, 2024, the entire amount is reserved for debt service purposes.

**NOTE 13: CONTINGENT LIABILITIES AND PENDING LITIGATION**

**Pending Litigation** - As at December 31, 2024 and the date of this report, there was no litigation pending which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the Carteret Redevelopment Agency.

**NOTE 14: SUBSEQUENT EVENTS**

A review of the Agency’s records revealed no subsequent events to be reported as of the date of this report.

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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**CARTERET REDEVELOPMENT AGENCY**  
**Budgetary Comparison Schedule**  
**For the year ended December 31, 2024**

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
<b>Revenues:</b>				
Rental Income	\$ 525,000	\$ 525,000	\$ 544,374	\$ 19,374
Pledged Annual Service Charges	3,129,236	3,129,236	3,129,236	-
Miscellaneous Revenues	52,000	52,000	22,583	(29,417)
<b>Total Revenues</b>	<u>3,706,236</u>	<u>3,706,236</u>	<u>3,696,193</u>	<u>(10,043)</u>
<b>Total Anticipated Revenues</b>	<u>3,706,236</u>	<u>3,706,236</u>	<u>3,696,193</u>	<u>(10,043)</u>
<b>Expenditures:</b>				
<b>Operating Appropriations:</b>				
<b>Administration:</b>				
Salaries and Wages	175,000	175,000	172,251	2,749
Fringe Benefits	60,000	60,000	57,128	2,872
<b>Other Expenditures:</b>				
Insurance Costs	20,000	20,000	17,970	2,030
Office Supplies, Postage and Advertising	20,000	20,000	19,683	317
Repairs & Maintenance	7,000	7,000	6,900	100
Professional Services	170,000	170,000	169,881	119
Utilities	30,000	30,000	29,823	177
Taxes & Licenses	95,000	95,000	90,538	4,462
<b>Total Administration</b>	<u>577,000</u>	<u>577,000</u>	<u>564,174</u>	<u>12,826</u>
<b>Debt Service:</b>				
Principal	2,671,816	2,671,816	2,671,816	-
Interest	457,420	457,420	457,420	-
<b>Total Debt Service</b>	<u>3,129,236</u>	<u>3,129,236</u>	<u>3,129,236</u>	<u>-</u>
<b>Total Operating Appropriations</b>	<u>3,706,236</u>	<u>3,706,236</u>	<u>3,693,410</u>	<u>12,826</u>
<b>Excess (Efficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>2,783</u>	<u>2,783</u>
<b>Fund Balance, January 1</b>	<u>54,986</u>	<u>54,986</u>	<u>54,986</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u>\$ 54,986</u>	<u>\$ 54,986</u>	<u>57,769</u>	<u>\$ 2,783</u>
<b>Analysis of Balance:</b>				
General Fund			\$ 27,128	
Debt Service Fund			<u>30,641</u>	
<b>Total</b>			<u>\$ 57,769</u>	

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**CARTERET REDEVELOPMENT AGENCY**  
**Schedule of the Agency's Proportionate Share of the Net Pension Liability**  
**Public Employee's Retirement System**  
**Last Nine Fiscal Years \***

	Measurement Date Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Agency's proportion of the net pension liability (asset)	0.00050%	0.00053%	0.00050%	0.00051%	0.00051%	0.00051%	0.00058%	0.00051%	0.00049%	0.00049%
Agency's proportionate share of the net pension liability (asset)	\$ 68,284	\$ 76,251	\$ 75,993	\$ 59,985	\$ 83,628	\$ 92,268	\$ 100,004	\$ 117,524	\$ 110,264	\$ 110,264
Agency's covered-employee payroll	\$ 172,251	\$ 52,804	\$ 46,382	\$ 45,335	\$ 37,514	\$ 36,384	\$ 36,028	\$ 41,165	\$ 40,000	\$ 38,394
Agency's proportionate share of the net pension liability (asset) covered-employee payroll	40%	144%	164%	132%	223%	254%	278%	285%	276%	287%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

\* This schedule is presented to illustrate the requirement to show information for 10 years.

CARTERET REDEVELOPMENT AGENCY  
 Schedule of Agency's Contributions  
 Public Employee's Retirement System  
 Last Nine Fiscal Years \*

	Year Ended December 31,										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Contractually required contribution	\$ 6,838	\$ 7,036	\$ 6,350	\$ 5,930	\$ 5,610	\$ 4,981	\$ 4,883	\$ 4,578	\$ 4,424	\$ 4,238	
Contributions in relation to the contractually required contribution	(6,838)	(7,036)	(6,350)	(5,930)	(5,610)	(4,981)	(4,883)	(4,578)	(4,424)	(4,238)	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Agency's covered-employee payroll	\$ 172,251	\$ 52,804	\$ 61,917	\$ 46,382	\$ 45,335	\$ 37,514	\$ 36,384	\$ 36,028	\$ 41,165	\$ 40,000	
Contributions as a percentage of covered-employee payroll	3.97%	13.32%	10.26%	12.79%	12.37%	13.28%	13.42%	12.71%	10.75%	10.60%	

\* This schedule is presented to illustrate the requirement to show information for 10 years.

**CARTERET REDEVELOPMENT AGENCY**

**Borough of Carteret, New Jersey  
County of Middlesex**

**Notes to the Required Supplementary Information  
December 31, 2024**

**Public Employees' Retirement System (PERS)**

***Changes of Benefit Terms***

None.

***Changes of Assumptions***

The discount rate changed from 7.00% as of June 30, 2024, to 7.00% as of June 30, 2023.

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OTHER SUPPLEMENTATRY INFORMATION

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**CARTERET REDEVELOPMENT AGENCY**  
**Long-Term Debt**  
**Schedule of Bonds Payable**  
**For the year ended December 31, 2024**

Date of Issue	Amount of Issue	Annual Maturities		Interest Rate Payable	Amount Outstanding December 31, 2023	Retired	Amount Outstanding December 31, 2024
		Date	Amount				
November 26, 2008	\$ 1,750,000	October 1, 2025	\$ 60,000	5.000%	\$ 1,210,000	\$ 55,000	\$ 1,155,000
		October 1, 2026	60,000	5.000%			
		October 1, 2027	65,000	5.000%			
		October 1, 2028	70,000	5.125%			
		October 1, 2029	70,000	5.125%			
		October 1, 2030	75,000	5.125%			
		October 1, 2031	80,000	5.125%			
		October 1, 2032	85,000	5.375%			
		October 1, 2033	85,000	5.375%			
		October 1, 2034	90,000	5.375%			
		October 1, 2035	95,000	5.375%			
		October 1, 2036	100,000	5.375%			
		October 1, 2037	105,000	5.375%			
		October 1, 2038	115,000	5.375%			
November 13, 2012	\$ 4,625,000	December 1, 2025	140,000	4.106%	3,375,000	135,000	3,240,000
		December 1, 2026	150,000	4.106%			
		December 1, 2027	155,000	4.541%			
		December 1, 2028	160,000	4.541%			
		December 1, 2029	170,000	4.541%			
		December 1, 2030	175,000	4.541%			
		December 1, 2031	185,000	4.541%			
		December 1, 2032	195,000	4.850%			
		December 1, 2033	200,000	4.850%			
		December 1, 2034	210,000	4.850%			
		December 1, 2035	220,000	4.850%			
		December 1, 2036	230,000	4.850%			
		December 1, 2037	245,000	4.850%			
		December 1, 2038	255,000	4.850%			
		December 1, 2039	270,000	4.850%			
		December 1, 2040	280,000	4.850%			
September 16, 2014	\$ 2,100,000	September 15, 2025	120,000	4.721%	765,000	115,000	650,000
		September 15, 2026	125,000	4.721%			
		September 15, 2027	130,000	4.721%			
		September 15, 2028	135,000	4.721%			
		September 15, 2029	140,000	4.721%			
					\$ 5,350,000	\$ 305,000	\$ 5,045,000

**CARTERET REDEVELOPMENT AGENCY**  
**Long-Term Debt**  
**Schedule of Obligations Under Notes Payable**  
**For the year ended December 31, 2024**

Description	Date of Lease	Amount of Original Issue		Annual Maturities		Interest Rate Payable	Amount Outstanding December 31, 2023	Retired	Amount Outstanding December 31, 2024
		Principal		Date	Amount				
New Jersey Infrastructure Bank - Trust Loan Agreement	November 9, 2006	\$	20,180,000	August 1, 2025	1,450,000	4.500%	\$ 4,360,000	\$ 1,390,000	\$ 2,970,000
				August 1, 2026	1,520,000	4.500%			
New Jersey Infrastructure Bank - Fund Loan Agreement	November 9, 2006	\$	20,180,000	February 1, 2025	41,152	0.000%	2,930,235	976,816	1,953,419
				August 1, 2025	934,094	0.000%			
				February 1, 2026	21,061	0.000%			
				August 1, 2026	957,112	0.000%			
Total							\$ 7,290,235	\$ 2,366,816	\$ 4,923,419

Honorable Chairman and Members of the  
Carteret Redevelopment Agency  
County of Middlesex  
Borough of Carteret, New Jersey

We have audited the basic financial statements of the Carteret Redevelopment Agency, County of Middlesex, State of New Jersey (hereafter referred to as the Agency), for the year ended December 31, 2024. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

### GENERAL COMMENTS

#### **Contracts and Agreements Required to be Advertised by (N.J.S.A.40A:11-4)**

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500, except by contract or agreement.

It is pointed out that the Board of Commissioners have the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Review of the minutes and financial transactions did not identify any bids requested by public advertising.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. The results of our examination did not disclose any discrepancies.

### **Contracts and Agreements Requiring Solicitation of Quotations**

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

The supporting documentation indicated that quotes were requested for all items that required them.

### **Examination of Cash Receipts**

A test check of cash receipts was performed. The results of the test did not disclose any discrepancies.

### **Examination of Bills**

A test check of paid bills was performed and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate. The results of the examination did not disclose any discrepancies with respect to signatures, certification or supporting documentation.

### **Examination of Payroll**

The examination of the payroll account included the detailed computation of various deductions or other credits from the payroll of the Agency employees and we ascertained that the accumulated withholdings were disbursed to the proper agencies.

### **Capital Assets**

The Capital Asset subledger was maintained properly and a reconciliation between the physical and perpetual inventory records was performed at year-end.

### ***Current Year Finding***

There were no current year findings

### **Follow-up on Prior Year's Findings**

In accordance with *Government Auditing Standards* and audit requirements prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, our procedures included a review of all prior year findings. There were no prior year findings.

## **Acknowledgment**

We received the complete cooperation of all the staff of the Agency and we greatly appreciate the courtesies extended to the members of the audit team. During our audit, we did not note any problems or weaknesses significant enough that would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions, please call us.

**HOLMAN FRENIA ALLISON, P.C.**  
*Certified Public Accountants*

August 27, 2025  
Lakewood, New Jersey