



(A Component Unit of the State of New Jersey)

Financial Statements and Required Supplementary Information

December 31, 2022 and 2021

**New Jersey Redevelopment Authority
(a component unit of the State of New Jersey)**

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INDEPENDENT AUDITORS' REPORT

**Management and Members of the
New Jersey Redevelopment Authority
Trenton, New Jersey**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the New Jersey Redevelopment Authority, (the "Authority"), a component unit of the State of New Jersey, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority, as of December 31, 2022 and 2021, and the changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

We draw attention to Notes 2, 12 and 13 in the notes to financial statements which disclose the effects of the Authority's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, "Leases". Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

PKF O'CONNOR DAVIES, LLP

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New Jersey Redevelopment Authority
Trenton, New Jersey**

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

**Management and Members of the
New Jersey Redevelopment Authority
Trenton, New Jersey**

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information as identified in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 20, 2023

New Jersey Redevelopment Authority

(A component unit of the State of New Jersey)

Management's Discussion and Analysis December 31, 2022 and 2021

Management of the New Jersey Redevelopment Authority (the "Authority") presents this narrative overview and financial analysis of the Authority's financial activities and performance for the years ended December 31, 2022 and 2021, which should be read in conjunction with the Authority's financial statements and accompanying notes.

Overview of the Financial Statements

This discussion and analysis is intended to present an overview of the Authority's financial performance for the years ended December 31, 2022 and 2021. The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). This section is intended to provide an assessment of how the Authority's financial position has improved or deteriorated and identify factors that, in management's view, significantly affected the Authority's overall financial position. It may contain opinions, assumptions or conclusions by the Authority's management that should not be considered a replacement for the financial statements included in this report.

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

The statement of revenues, expenses, and changes in net position, measures the Authority's operations for the periods presented.

The statement of cash flows provides information about the Authority's sources and uses of cash from operating, investing, and financing activities.

The notes to financial statements provide information that is essential to understanding the Authority's basic financial statements, such as the Authority's accounting methods and policies, details of significant assets, liabilities, net position, contractual obligations, future commitments, and contingencies, as well as other events or other matters that could impact the Authority's financial position.

The Authority's Business

The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short-term and long-term financial information about the activities and operations of the Authority. These statements are presented in a manner similar to a private business, such as real estate development, investment banking, commercial lending, and private consulting. While detailed sub-fund information is not presented, separate accounts are maintained for each program to control and manage money for particular purposes or to demonstrate that the Authority is properly using specific appropriations and grants.

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Management's Discussion and Analysis
December 31, 2022 and 2021

Operating Activities

The Authority charges financing fees that may include an application fee, commitment and/or acceptance fee, closing fee, extension fee, and document execution fee. Interest income accrues to the benefit of the program for which the underlying source of funds is utilized.

Non-Operating Activities

The Authority receives interest income on funds invested. These funds are highly liquid investment instruments with a maturity of three months or less and are considered to be cash equivalents. Given the nature of the Authority as an enterprise fund, the interest income derived from these assets is considered outside of the Authority's primary operating activities.

Financial Analysis of the Authority

Condensed Summary of Net Position:

	December 31,		
	2022	Restated 2021	2020
Current assets	\$ 1,506,252	\$ 6,504,419	\$ 20,466,493
Non-current assets	57,818,334	37,781,098	36,817,832
Capital assets	393,305	542,082	61,648
Total assets	<u>\$ 59,717,891</u>	<u>\$ 44,827,599</u>	<u>\$ 57,345,973</u>
Deferred outflows of resources	<u>\$ 1,554,181</u>	<u>\$ 765,215</u>	<u>\$ 932,645</u>
Current liabilities	\$ 844,159	\$ 4,019,402	\$ 16,692,335
Non-current liabilities	4,165,044	4,242,714	4,407,057
Total liabilities	<u>\$ 5,009,203</u>	<u>\$ 8,262,116</u>	<u>\$ 21,099,392</u>
Deferred inflows of resources	<u>\$ 2,600,040</u>	<u>\$ 2,455,336</u>	<u>\$ 2,465,544</u>
Net investment in capital assets	\$ 99,661	\$ 71,885	\$ 61,648
Restricted	48,600,820	26,754,557	20,400,166
Unrestricted	4,962,348	8,048,920	14,251,868
Total net position	<u>\$ 53,662,829</u>	<u>\$ 34,875,362</u>	<u>\$ 34,713,682</u>

New Jersey Redevelopment Authority
(a component unit of the State of New Jersey)

Management's Discussion and Analysis
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2021-2022

During 2022, the Authority was remaining balance of the \$2.7 million it received from the federal Coronavirus Relief program received from 2020 through 2021. The State of New Jersey specified the funds were to be utilized to continue the Small Business Lease Emergency Assistance Grant Program (SBLEAGP) in which the Authority was to assist small businesses that are unable to pay their lease payments due to the mandatory closure of their businesses due to the COVID-19 pandemic. During the 2022 calendar year, the Authority expended approximately \$3.1 million in expenses as it relates to that program (in addition to approximately \$22.6 million expended from 2020 through 2021). In addition to the SBLEAGP, the Authority received approximately \$1.7 million of loan repayments during 2022. Lastly, the Authority implemented Governmental Accounting Standards Board ("GASB") Statement No. 87, "Leases" in 2022 retroactive to January 1, 2021, resulting in a restatement of the 2021 financial statements. The requirements of this GASB Statement resulted in the addition of an office space right-of-use-asset to capital assets in the amount of \$636,901 with an offsetting lease liability in the same amount as of January 1, 2021.

2020-2021

During 2021, the Authority was a subrecipient of additional federal Coronavirus Relief Funds of \$15,450,000 passed through the State of New Jersey, Department of the Treasury. The State of New Jersey specified the funds were to be utilized to continue the Small Business Lease Emergency Assistance Grant Program (SBLEAGP) in which the Authority was to assist small businesses that are unable to pay their lease payments due to the mandatory closure of their businesses due to the COVID-19 pandemic. The Authority expended approximately \$13,500,000 in expenses as it relates to that program. The Authority also continued to administer the COVID-19 programs of three counties in which it disbursed approximately \$7,500,000 and approximately \$6,800,000 of remaining program funds were returned back to the counties. Lastly, the Authority received approximately \$9,400,000 of loan repayments during 2021.

Condensed Summary of Revenues, Expenses and Changes in Net Position:

	Years Ended December 31,		
		Restated	
	2022	2021	2020
Operating revenues	\$ 20,241,927	\$ 1,005,603	\$ 910,504
Operating expenses	<u>2,005,509</u>	<u>2,618,643</u>	<u>2,442,777</u>
Income/(loss) from operations	18,236,418	(1,613,040)	(1,532,273)
Non-operating revenue	<u>551,049</u>	<u>1,774,720</u>	<u>4,664,387</u>
Change in net position	18,787,467	161,680	3,132,114
Net position, beginning of year	<u>34,875,362</u>	<u>34,713,682</u>	<u>31,581,568</u>
Net position, end of year	<u>\$ 53,662,829</u>	<u>\$ 34,875,362</u>	<u>\$ 34,713,682</u>

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Management's Discussion and Analysis
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2021 – 2022

The Authority has experienced an approximately \$18,800,000 increase in net position during 2022. The Authority has continued its collection efforts on defaulted loans. As a result, the Authority received approximately \$180,000 in loan recoveries during 2022 from loans that were previously written off. Additionally, the Authority received a \$20,000,000 appropriation from the State of New Jersey in 2022 to continue the Urban Site Acquisition and Redevelopment Investment Fund programs. As mentioned previously, the Authority continued to administer the last of the COVID-19 program for the State, resulting in program expenditures during 2022 of approximately \$3,100,000 compared to approximately \$13,500,000 in 2021. The Authority's operating expenses decreased as a result of the reduction in SBLEAGP program expenditures resulting in less costs related to administering the program.

2020 – 2021

The Authority has experienced an approximately \$173,000 increase in net position during 2021. The Authority has continued its collection efforts on defaulted loans. As a result, the Authority received approximately \$1,325,000 in loan recoveries during 2021 from loans that were previously written off. As mentioned previously, the Authority continued to administer a COVID-19 program for the State, increasing program expenditures during 2021 to approximately \$13,500,000 from approximately \$8,400,000 in 2020. The Authority's operating expenses increased as a result of administering the SBLEAGP program in 2021 for businesses adversely affected by the COVID-19 pandemic.

Other Financial Information

As typical for a financial institution, the relationship between allowances for uncollectible accounts and the offsetting loss provision is an integral component of the relationship of the Statement of Net Position to the Statement of Revenues, Expenses, and Changes in Net Position. Although not mandated to do so, allowances for doubtful notes and guarantee payments are determined in accordance with guidelines established by the Office of the Comptroller of the Currency. The Authority accounts for its potential loss exposure through the use of risk ratings. Each risk rating is assigned a specific loss factor in accordance with the severity of the classification. All loans and guarantees are assigned a specific risk rating. The assigned risk ratings are continuously updated to account for changes in the financial condition of the borrower or guarantor, payment history, loan covenant, violations and changing economic conditions.

Contacting the Authority's Financial Management

This financial report is designed to provide New Jersey citizens and taxpayers, and our customers, clients, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the appropriations and grants that it receives. If you have questions about the report or need additional information, contact the New Jersey Redevelopment Authority's Executive Director, at 150 West State Street, 2nd Floor West, P.O. Box 790, Trenton, NJ 08625-790 or visit our web site at www.njra.us.

New Jersey Redevelopment Authority
(a component unit of the State of New Jersey)

Statements of Net Position

	December 31,	
	2022	Restated 2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Unrestricted cash and cash equivalents	\$ 319,518	\$ 465,590
Restricted cash and cash equivalents	29,406	3,155,693
Notes receivable, net of allowance of \$453,791 and \$429,789, respectively	1,046,022	2,629,817
Other accounts receivables	81,500	179,659.00
Prepaid expenses and other current assets	29,806	73,660
Total Current Assets	1,506,252	6,504,419
Non-Current Assets		
Unrestricted cash	7,668,638	9,401,623
Restricted cash	48,642,427	26,762,627
Notes receivable, net of current portion	1,378,258	1,490,351
Interest receivable	127,011	124,497
New Market Tax Credit	2,000	2,000
Capital assets	393,305	542,082
Total Non-Current Assets	58,211,639	38,323,180
Total Assets	59,717,891	44,827,599
Deferred Outflows of Resources		
Deferred Amount on Net Pension Liability	132,116	110,301
Deferred Amount on OPEB Liability	1,422,065	654,914
Total Deferred Outflows of Resources	1,554,181	765,215
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities		
Accounts payable and accrued expenses	277,883	344,204
Refundable advances	71,013	3,163,763
Due to subrecipients	300,950	300,937
Lease payable - current portion	183,904	176,553
Unearned revenue	10,409	33,945
Total Current Liabilities	844,159	4,019,402
Long-Term Liabilities		
Compensated absences	58,308	172,329
Net OPEB liability	2,583,774	2,217,033
Long-term lease payable	109,740	293,644
Net pension liability	1,413,222	1,559,708
Total Long-Term Liabilities	4,165,044	4,242,714
Total Liabilities	5,009,203	8,262,116
Deferred Inflows of Resources		
Deferred Amount on Net Pension Liability	998,884	1,277,315
Deferred Amount on OPEB Liability	1,601,156	1,178,021
Total Deferred Inflows of Resources	2,600,040	2,455,336
Net Position		
Net investment in capital assets	99,661	71,885
Restricted	48,600,820	26,754,557
Unrestricted	4,962,348	8,048,920
Total Net Position	\$ 53,662,829	\$ 34,875,362

See notes to financial statements

New Jersey Redevelopment Authority
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Statements of Revenues, Expenses and Changes in Net Position

	Years Ended December 31,	
	2022	Restated 2021
OPERATING REVENUES		
Interest income on notes receivable	\$ 130,919	\$ 601,176
Small Business Lease Emergency Assistance Grant		
Program county administration income		332,752
Fee income	111,008	66,832
State appropriation	20,000,000	
Other		4,843
Total Operating Revenues	<u>20,241,927</u>	<u>1,005,603</u>
OPERATING EXPENSES		
Salaries and benefits	1,331,941	1,203,232
General and administrative	458,639	1,217,993
Depreciation/amortization	214,929	197,418
Total Operating Expenses	<u>2,005,509</u>	<u>2,618,643</u>
Operating Income/(Loss)	18,236,418	(1,613,040)
NON-OPERATING REVENUES (EXPENSES)		
Coronavirus Relief Fund grant income	3,120,344	13,925,600
Coronavirus Relief Fund program expenses	(3,090,505)	(13,508,981)
Recovery of loans	262,135	1,325,523
Interest income on cash	249,575	28,578
Gain on sale of capital assets	9,500	4,000
Total Non-Operating Revenues (Expenses)	<u>551,049</u>	<u>1,774,720</u>
Change in Net Position	18,787,467	161,680
NET POSITION		
Beginning of year	<u>34,875,362</u>	<u>34,713,682</u>
End of year	<u>\$ 53,662,829</u>	<u>\$ 34,875,362</u>

See notes to financial statements

New Jersey Redevelopment Authority
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Statements of Cash Flows

	Years Ended December 31,	
		(Restated)
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash disbursed to borrowers		\$ (270,000)
Cash received from borrowers	\$ 2,033,460	9,392,593
Cash received from other sources	10,000	140,688
Cash received from State for loan funds	20,000,000	
Cash disbursed for goods and services	(595,114)	(1,163,973)
Cash disbursed for personnel costs	(1,755,948)	(1,582,499)
Net Cash From Operating Activities	19,692,398	6,516,809
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of capital assets	(66,152)	(40,951)
Gain on sale of capital assets	9,500	4,000
Lease payments	(176,553)	(166,704)
Net Cash From Capital Financing Activities	(233,205)	(203,655)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipt of County funds for small business lease program		102,706
Payment of County funds for small business lease program	(2,342)	(7,505,631)
Return of unspent County funds for small business lease program	(3,600)	(6,798,068)
Coronavirus Relief Fund grant receipts		15,450,000
Coronavirus Relief Fund program disbursements	(3,090,505)	(13,508,981)
Net Cash From Non-Capital Financing Activities	(3,096,447)	(12,259,974)
CASH FLOWS FROM INVESTING ACTIVITIES		
Recovery of loans	262,135	1,325,523
Interest income on cash	249,575	28,578
Net Cash From Investing Activities	511,710	1,354,101
Net Change in Cash and Cash Equivalents	16,874,456	(4,592,719)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning of year	39,785,533	44,378,252
End of year	<u>\$ 56,659,989</u>	<u>\$ 39,785,533</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
Unrestricted current cash and cash equivalents	\$ 319,518	\$ 465,590
Restricted current cash and cash equivalents	29,406	3,155,693
Unrestricted non-current cash and cash equivalents	7,668,638	9,401,623
Restricted non-current cash	48,642,427	26,762,627
	<u>\$ 56,659,989</u>	<u>\$ 39,785,533</u>
RECONCILIATION OF NET INCOME/(LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income/(Loss) from operations	\$ 18,236,418	\$ (1,613,040)
Adjustments to reconcile income/(loss) from operations to net cash from operating activities:		
Depreciation/amortization	214,929	197,418
Changes in operating assets and deferred outflows of resources and liabilities and deferred inflows of resources:		
Notes receivable	1,794,047	8,446,911
Prepaid expenses and other current assets	43,854	(48,496)
Deferred outflows of resources	(788,966)	167,430
Interest receivable	(2,514)	7,674
Accounts payable and compensated absences	(180,329)	102,516
Unearned revenue	10,000	(196,907)
Net pension liability	(146,486)	(686,790)
Net OPEB liability	366,741	150,301
Deferred inflows of resources	144,704	(10,208)
Net Cash From Operating Activities	<u>\$ 19,692,398</u>	<u>\$ 6,516,809</u>

See notes to financial statements

**New Jersey Redevelopment Authority
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements
December 31, 2022 and 2021

1. Organization and Purpose

The New Jersey Redevelopment Authority (the “Authority” or “NJRA”) is a public body corporate and politic, constituting an instrumentality of the State of New Jersey (“State”). The Authority was established by Chapter 62, P.L. 1996 (“Act”) on July 13, 1996 to provide assistance in the redevelopment and revitalization of New Jersey cities. Under the Act, the Authority is to provide financial, managerial, and technical assistance to persons, firms, or corporations who wish to undertake industrial, commercial, or civic projects within qualified municipalities. Pursuant to the Act, the Authority was appropriated \$9,000,000 from the State for the purpose of funding eligible projects and the commencement of operations. Pursuant to the Act, the Authority also assumed the assets, liabilities and equity of the former New Jersey Urban Development Corporation (collectively, “Redevelopment Investment Fund”). The Authority became fully operational in April 1997.

In 1998, the Authority was appropriated an additional \$25,000,000 to develop and implement the Urban Site Acquisition Program’s revolving loan fund. The fund finances acquisition related expenses for projects designated to facilitate the redevelopment of underutilized parcels of real estate. On March 30, 1998, the Governor of the State filed an executive reorganization plan (the “Plan”), Executive Reorganization No. 002-1998, with the Legislature. The Plan was implemented to allow for more efficient use of resources targeted for urban development initiatives and provide for a more integrated and comprehensive approach to urban revitalization. The Plan transferred the Authority to an independent authority and became effective May 31, 1998. In 2022, the Authority was appropriated an additional \$10,000,000 to continue this loan program.

The Authority is focused on advancing the quality of life in New Jersey’s urban municipalities by expanding economic opportunities. The Authority is a component unit of the State as defined by the Governmental Accounting Standards Board, and its financial statements are included in the State’s Annual Comprehensive Financial Report.

In April 2004, the Authority was directed to create a subsidiary corporation to manage a loan fund for projects directly related to redevelopment initiatives in Newark’s neighborhoods. The Authority created Working in Newark’s Neighborhoods (“WINN”), over which it exercises significant influence, due to WINN’s board being comprised principally of NJRA representatives. In addition, the Authority is financially accountable for WINN; therefore, the accompanying financial statements include WINN as part of the Authority as a blended component unit.

New Markets Tax Credit Allocation

Legislated in 2000 as a catalyst to encourage the investment of private capital in designated low-income communities, the New Markets Tax Credit (“NMTC”) program through the U.S. Department of Treasury, fosters the construction and rehabilitation of real estate and the expansion of operating businesses in order to create jobs, generate economic activity and improve the quality of services in low-income communities and to low-income persons.

NMTC’s are intended to support business growth, job creation and spur economic development in underserved communities across the country. Typical projects involve the acquisition, rehabilitation or construction of real estate or the expansion of operating businesses in low- income communities.

**New Jersey Redevelopment Authority
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Notes to Financial Statements
December 31, 2022 and 2021

1. Organization and Purpose (*continued*)

New Markets Tax Credit Allocation (*continued*)

These can include commercial offices and retail services/products, mixed-use (commercial/residential) properties, community centers, educational facilities, entertainment/cultural facilities, health-related facilities, as well as businesses that buy, develop, build, rehabilitate or sell residential property and small business loan funds. Projects often focus on creating quality jobs in low-income communities, assisting minority, women-owned and low-income community businesses offering flexible lease rates to tenant businesses, providing goods and services and housing options in low-income communities, improving access to healthy and affordable food options, increasing environmental sustainability and pioneering developments that will catalyze additional private investments in the community.

In order to finance underlying businesses and developments, a for-profit organization partners with certified Community Development Entities ("CDE's"), which are organizations that have primary missions of providing investment capital for, and other financial services to, qualified businesses in the low-income communities that the CDE serves. CDE's apply to the Community Development Financial Institutions Fund ("CDFI Fund"), a division of the U.S. Department of the Treasury, in a competitive application process for NMTC Allocation Authority. This Authority allows successful CDE's to raise investment capital from private investors in exchange for the rights to claim tax credits over a seven-year compliance period (5 percent of the aggregate qualified investment for three years and 6 percent for the remaining four years). Capital raised by the CDE's is then used to provide below-market financing to qualified businesses in low-income communities.

There are two \$10 million projects that the Authority was involved in and to facilitate the NMTC transaction, the Authority is the managing member of a CDE in each of the transactions, which required \$1,000 investments for a .01% interest. As of calendar year 2022, loans have been paid off and the program has ended.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and reporting principles. US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The Authority's activities are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, net position, revenues and expenses are accounted for as an enterprise fund with revenues recorded when earned and expenses recorded at the time the liabilities are incurred.

**New Jersey Redevelopment Authority
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (*continued*)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

Allowance for Doubtful Notes and Guarantee Losses

Allowances for doubtful notes and guarantee losses ("allowances") are determined based on routine reviews of various factors such as loan documentation, repayment history, underlying collateral value, site visits and meetings with the borrowers and ability to repay, which all impact collectability. Receivables are recorded at the amount per loan agreement and bear interest in accordance with that agreement less an allowance. The allowance is the Authority's best estimate of the amount of probable credit losses in existing receivables. The Authority reviews its allowance periodically. Past due balances are reviewed individually for collectability. As of December 31, 2022 and 2021, the allowance approximated \$454,000 and \$430,000.

Cash and Cash Equivalents

The Authority considers all highly liquid short-term investment securities with maturity periods of three months or less to be cash equivalents.

Restricted cash represents amounts maintained by the Authority for specific programs and available for funding purposes.

Concentration and Custodial Credit Risks

Cash and cash equivalents as of December 31, 2022 and 2021, are as follows:

	2022		2021	
	<u>Book Balance</u>	<u>Bank Balance</u>	<u>Book Balance</u>	<u>Bank Balance</u>
NJRA	\$ 50,442,008	\$ 50,444,923	\$ 33,273,629	\$ 33,282,788
WINN	<u>6,217,981</u>	<u>6,217,981</u>	<u>6,511,904</u>	<u>6,511,904</u>
	<u>\$ 56,659,989</u>	<u>\$ 56,662,904</u>	<u>\$ 39,785,533</u>	<u>\$ 39,794,692</u>

The Authority maintains cash balances with financial institutions, which at times, exceed amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). Management monitors the soundness of these institutions and considers the Authority's risk negligible. Cash balances are insured by the FDIC up to \$250,000 with each bank. Cash exposed to risk is \$56,412,904 and \$39,544,692 for 2022 and 2021, respectively.

Custodial Credit Risk, with respect to deposits, is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority believes that due to the dollar amounts of each cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with acceptable estimated risk level are used as depositories.

Concentration of Credit Risk – There is no limit on the amount the Authority may invest in any one issuer.

New Jersey Redevelopment Authority
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Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (continued)

Non-current cash at December 31, 2022 and 2021 consists of the following:

	<u>2022</u>	<u>2021</u>
Urban Site Acquisition	\$ 21,897,986	\$ 10,209,908
Redevelopment Investment Fund	28,126,609	19,380,336
WFNJ Entrepreneur Development	200,868	200,856
WFBD	100,081	100,081
Working in Newark's Neighborhoods	<u>5,985,521</u>	<u>6,273,069</u>
	56,311,065	36,164,250
Restricted Cash	<u>(48,642,427)</u>	<u>(26,762,627)</u>
Unrestricted Cash	<u>\$ 7,668,638</u>	<u>\$ 9,401,623</u>

Capital Assets

Capital assets are carried at cost. The Authority capitalizes assets costing \$5,000 or more and uses the straight-line method of depreciation/amortization over their useful lives as follows:

	<u>Useful Lives</u>
Vehicles	5 years
Furniture	7 years
Equipment	3 to 5 years
Office lease right-of-use asset	43 months

Taxes

The Authority is exempt from all Federal and State income taxes and real estate taxes.

Financial Instruments

The carrying values of the Authority's financial instruments as of December 31, 2022 and 2021 include cash and cash equivalents and notes receivable and approximate their fair value due to the relatively short maturity of these instruments.

Operating and Non-Operating Revenues and Expenses

The Authority defines revenues and expense transactions that support the principle ongoing operations of the Authority as operating. Non-operating revenues include most revenues from other than exchange and exchange-like transactions.

**New Jersey Redevelopment Authority
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Notes to Financial Statements
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2. Summary of Significant Accounting Policies (*continued*)

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position
(*continued*)**

Restricted/Unrestricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the nature of the expense (i.e. restricted) determines what resource is applied first.

Reclassifications

Certain amounts in 2021 have been reclassified to conform with the 2022 presentation.

Deferred Outflows/Inflows of Resources

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

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

The Authority reports deferred outflows of resources and deferred inflows of resources in relation to its pension and OPEB obligations. These amounts are detailed in the discussion of the Authority's pension plans and OPEB in Notes 9 and 10.

Compensated Absences

Vested or accumulated vacation or compensatory time is recorded as an expense and liability of the Authority as the benefit accrues to employees.

Net Pension Liability

The net pension liability represents the Authority's proportionate share of the net pension liability of the State of New Jersey Public Employees' Retirement System.

Accrued Postemployment Health Benefits Liability

The accrued postemployment health benefits liability represents the Authority's proportionate share of the accrued postemployment health benefits liability of the State of New Jersey State Health Benefits Local Government Retired Employees Plan.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the financial statements of the Authority. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of outstanding debt that is attributable to those assets.

**New Jersey Redevelopment Authority
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Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (*continued*)

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position
(*continued*)**

Net position is reported as restricted when there are limitations on their use through external restrictions imposed by laws and regulation of other governments.

Revenue Recognition

The Authority charges various financing fees which include an application fee, commitment fee, and closing fee. Fees are recognized when earned. Interest and investment income are recognized as earned. Interest income on notes receivable are recognized when interest is due on outstanding balances, calculated at interest rates ranging from 4% to 8%. Interest is compounded annually and payable in accordance with provisions of the respective note agreement. Management periodically reviews collectability and will record a reserve based on an estimate of amounts deemed uncollectible.

Recent and Adopted Accounting Standards

Adopted - The Authority has adopted GASB Statement No. 87, "*Leases*". This Statement's objective is to increase the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees. See Note 12 Leases.

Recent - In May 2020, the GASB issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*", which is effective for fiscal years beginning after June 15, 2022. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, "*Leases*", as amended. The Authority is in the process of determining the impact of GASB Statement No. 96 to its financial statements.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 20, 2023.

New Jersey Redevelopment Authority
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Notes to Financial Statements
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3. Notes Receivable

Notes receivable consist of loans and are generally collateralized by assets of the project, the assets of the borrowers, and/or personal assets and personal guarantees. The notes bear interest rates ranging from 0.28% to 6.50% and mature at various times through 2044. At December 31, 2022 and 2021, notes receivable, net of allowances or participations, were as follows:

	<u>2022</u>	<u>2021</u>
Notes Receivable:		
Urban Site Acquisition ("USA")	\$ 2,068,660	\$ 3,708,512
Redevelopment Investment Fund ("RIF")	809,411	841,445
	<u>2,878,071</u>	<u>4,549,957</u>
Less: allowances and reserves	(453,791)	(429,789)
	<u>\$ 2,424,280</u>	<u>\$ 4,120,168</u>

The maturity dates for notes receivable for future years subsequent to December 31, 2022 are as follows:

Current	\$ 1,499,813
2-5 years	598,737
6-10 years	203,945
11-15 years	177,315
16-20 years	120,000
Thereafter	<u>278,261</u>
	2,878,071
Less: allowances	<u>(453,791)</u>
	2,424,280
Less: current portion	<u>(1,046,022)</u>
Non-current portion	<u><u>\$ 1,378,258</u></u>

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3. Notes Receivable (continued)

Concentration

At December 31, 2022 and 2021, there are four borrowers' loans that represent approximately 89% of outstanding loans for both years.

4. Capital Assets

The following schedule is a summarization of the changes in capital assets for the years ended December 31, 2022 and 2021:

	December 31, 2022			
	Beginning Balance (Restated)	Additions	Transfers and Deletions	Ending Balance
Capital Assets, Being Depreciated/Amortized:				
Automobiles	\$ 136,765	\$ 41,671	\$ (29,597)	\$ 148,839
Other	51,648		4,472	56,120
Computers and equipment	621,303	24,481	(4,472)	641,312
Right-of-Use Asset - Office Space	636,901			636,901
Total Capital Assets Being Depreciated/Amortized	1,446,617	66,152	(29,597)	1,483,172
Accumulated Depreciation	(726,795)	(37,189)	29,597	(734,387)
Accumulated Amortization - Right-of-Use Asset	(177,740)	(177,740)		(355,480)
Net Capital Assets	<u>\$ 542,082</u>	<u>\$ (148,777)</u>	<u>\$ -</u>	<u>\$ 393,305</u>

	December 31, 2021			
	Beginning Balance (Restated)	Additions (Restated)	Transfers and Deletions	Ending Balance (Restated)
Capital Assets, Being Depreciated/Amortized:				
Automobiles	\$ 118,461	\$ 40,951	\$ (22,647)	\$ 136,765
Other	51,648			51,648
Computers and equipment	621,303			621,303
Right-of-Use Asset - Office Space	636,901			636,901
Total Capital Assets Being Depreciated/Amortized	1,428,313	40,951	(22,647)	1,446,617
Accumulated Depreciation	(729,764)	(19,678)	22,647	(726,795)
Accumulated Amortization - Right-of-Use Asset		(177,740)		(177,740)
Net Capital Assets	<u>\$ 698,549</u>	<u>\$ (156,467)</u>	<u>\$ -</u>	<u>\$ 542,082</u>

New Jersey Redevelopment Authority
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Notes to Financial Statements
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5. Long Term Liabilities

During 2022 and 2021 the following changes in the components of long-term liabilities were:

	(Restated) Balance 1/1/2022	Issued	Retired	Balance 12/31/2022	Current Portion
Compensated Absences	\$ 172,329		\$ 114,021	\$ 58,308	
Net OPEB Liability	2,217,033	\$ 366,741		2,583,774	
Net Pension Liability	1,559,708		146,486	1,413,222	
Lease Payable	470,197		176,553	293,644	\$ 183,904
	<u>\$ 4,419,267</u>	<u>\$ 366,741</u>	<u>\$ 437,060</u>	<u>\$ 4,348,948</u>	<u>\$ 183,904</u>

	(Restated) Balance 1/1/2021	Issued	(Restated) Retired	(Restated) Balance 12/31/2021	(Restated) Current Portion
Compensated Absences	\$ 93,827	\$ 78,502		\$ 172,329	
Net OPEB Liability	2,066,732	150,301		2,217,033	
Net Pension Liability	2,246,498		\$ 686,790	1,559,708	
Lease Payable	636,901		166,704	470,197	\$ 176,553
	<u>\$ 5,043,958</u>	<u>\$ 228,803</u>	<u>\$ 853,494</u>	<u>\$ 4,419,267</u>	<u>\$ 176,553</u>

6. Due to Subrecipients

The Authority has an agreement with the Department of Human Services (DHS) Division of Family Development (DFD), in which the Authority serves as the program administrator of the Work First New Jersey Entrepreneur Development Pilot Program (WFNJ) and Business Development Account Program (BDA). There were no expenditures related to these programs since inception.

A summary of the amounts due to subrecipients from the above funding resources at December 31, 2022 and 2021 consists of the following:

	2022	2021
WFNJ	\$ 200,869	\$ 200,856
BDA	100,081	100,081
	<u>\$ 300,950</u>	<u>\$ 300,937</u>

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Notes to Financial Statements
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7. Commitments and Contingencies

Grants

The Authority participates in federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Authority has not complied with the rules and regulations governing grants, refunds of any money received may be required. In the opinion of the Authority's management, there are no significant contingent liabilities relating to compliance with rules and regulations or final eligible cost requirements governing the respective grant or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

Loan Commitments

The Authority has loan commitments outstanding of \$2,750,000 as of December 31, 2022. \$1,500,000 of the loan commitments are related to the Redevelopment Investment Fund program and \$1,250,000 of the loan commitments are related to the WINN program. The Authority did not have any outstanding loan commitments as of December 31, 2021.

8. Refundable Advances

Refundable advances consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
State of New Jersey, Department of the Treasury	\$ 27,642	\$ 3,118,148
County of Ocean, New Jersey		3,600
County of Essex, New Jersey	43,371	42,015
	<u>\$ 71,013</u>	<u>\$ 3,163,763</u>

State of New Jersey, Department of the Treasury

During 2022 and 2021, the Authority was a subrecipient of federal Coronavirus Relief Funds passed through the State of New Jersey, Department of the Treasury. The State of New Jersey specified the funds were to be utilized for a Small Business Lease Emergency Assistance Grant Program (SBLEAGP) in which the Authority was to assist small businesses that are unable to pay their lease payments due to the mandatory closure of their businesses due to the COVID-19 pandemic. If the Authority were unable to provide the assistance specified in the agreement with the State of New Jersey, the funds would be refundable back to the State of New Jersey, Department of the Treasurer.

9. Employee Retirement System

Description of Plans

The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate.

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9. Employee Retirement System (continued)

Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees' Retirement System (PERS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Public Employees' Retirement System

The Public Employees' Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund.

Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2022 and 2021:

	2022	2021
Inactive plan members of beneficiaries currently receiving benefits	187,372	184,775
Inactive plan members entitled to but not yet receiving benefits	723	877
Active plan members	<u>240,961</u>	<u>246,776</u>
	<u><u>429,056</u></u>	<u><u>432,428</u></u>

Contributing Employers – 1,683

For the years ended December 31, 2022 and 2021 the Authority's total payroll for all employees was \$1,323,677 and \$1,092,560, respectively, and the Authority's covered PERS payroll was \$1,360,115 and \$897,748, respectively.

**New Jersey Redevelopment Authority
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Notes to Financial Statements
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9. Employee Retirement System (continued)

Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Authority to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. The member contribution rate was 7.50% in State fiscal year 2021 and State fiscal year 2022. Employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Authority contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

It is assumed that the local employers will contribute 100% of their actuarially determined contribution, except for fiscal year 2022 and fiscal year 2023 when the impact of the recent demographic assumption changes is phased in, and 100% of their Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution. The State will contribute 107.91% of its actuarially determined contribution for fiscal year ending June 30, 2023 at the beginning of the fiscal year. This contribution has been included in the projections. In subsequent years, it is assumed that the State will contribute 100% of their actuarially determined contribution and NCGIPF contribution. The 100% contribution rate is the actual total State contribution rate paid in fiscal year ending June 30, 2024, with respect to the actuarially determined contribution for the fiscal year ending June 30, 2024 for all State administered retirement systems.

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

The Authority's contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. Authority payments to PERS for the years ending December 31, 2022 and 2021, which equaled the Authority's required contributions, consisted of the following:

	<u>2022</u>	<u>2021</u>
Total Regular Billing	\$ 118,090	\$ 154,189

The Authority recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

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

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Notes to Financial Statements
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9. Employee Retirement System (*continued*)

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 8, 2008
3	Members who were eligible 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

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the PERS reported a collective net pension liability of \$15,219,184,290 for its Non-State Employer Member Group. The Authority's proportionate share of the net pension liability for the Non-State Employer Member Group was \$1,413,222 or 0.0093644332% which was a decrease of 0.0038015530% from its proportion measured as of June 30, 2021. For the year ended December 31, 2022, the Authority recognized a full accrual pension benefit of \$339,328.

At June 30, 2021, the PERS reported a collective net pension liability of \$11,972,782,878 for its Non-State Employer Member Group. The Authority's proportionate share of the net pension liability for the Non-State Employer Member Group was \$1,559,708 or 0.0131659862% which was a decrease of 0.0006099688% from its proportion measured as of June 30, 2020. For the year ended December 31, 2021, the Authority recognized a full accrual pension benefit of \$169,453.

The following presents a summary of the proportionate share of the State of New Jersey's changes in the collective deferred outflows of resources and deferred inflows of resources attributable to the Authority for the years ended June 30, 2022 and 2021:

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Notes to Financial Statements
December 31, 2022 and 2021

9. Employee Retirement System (continued)

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,200	\$ 8,995
Changes in assumptions	4,379	211,615
Net difference between projected and actual earnings on pension plan investments	58,492	
Changes in proportion and differences between Authority contributions and proportionate share of contributions		778,274
Authority contributions subsequent to the measurement date	59,045	
	<u>\$ 132,116</u>	<u>\$ 998,884</u>
	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,599	\$ 11,166
Changes in assumptions	8,123	555,266
Net difference between projected and actual earnings on pension plan investments		410,868
Changes in proportion and differences between Authority contributions and proportionate share of contributions	485	300,015
Authority contributions subsequent to the measurement date	77,094	
	<u>\$ 110,301</u>	<u>\$ 1,277,315</u>

The \$59,045 of deferred outflows of resources resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Amount
2023	\$ (406,272)
2024	(272,554)
2025	(198,435)
2026	(43,244)
2027	(5,308)
Total	<u>\$ (925,813)</u>

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9. Employee Retirement System (*continued*)

Actuarial Assumptions- The collective pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

	<u>2022</u>	<u>2021</u>
Inflation-Prices	2.75%	2.75%
Inflation-Wages	3.25%	3.25%
Salary Increases	2.75% - 6.55%	2.00% - 6.00%
	Based on years of service	Based on years of service
Through 2026		3.00% - 7.00%
		Based on years of service
Investment Rate of Return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022 and 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries.

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9. Employee Retirement System (*continued*)

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, 2022 and 2021 are summarized in the following table:

2022		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	8.00%	11.19%
Real Estate	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	
2021		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	8.00%	9.15%
Real Estate	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

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9. Employee Retirement System (*continued*)

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2022 and June 30, 2021 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all 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 Net Pension Liability – the following presents the net pension liability of the Authority calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

June 30, 2022			
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PERS	\$ 1,815,576	\$ 1,413,222	\$ 1,070,802
June 30, 2021			
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PERS	\$ 2,124,006	\$ 1,559,708	\$ 1,080,821

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2022 and 2021 were \$37,606,015,966 and \$35,707,804,636, respectively. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2022 and 2021 was \$25,810,084,045 and \$28,386,785,177, respectively.

Additional information

Collective Local Group balances at June 30, 2022 are as follows:

Collective deferred outflows of resources	\$ 1,660,772,008
Collective deferred inflows of resources	3,236,303,935
Collective net pension liability	15,219,184,920
Authority's proportion	0.0093644332%

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Notes to Financial Statements
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9. Employee Retirement System (*continued*)

Collective pension expense (benefit) for the Local Group for the measurement period ended June 30, 2022 and 2021 was (\$1,032,778,934) and (\$1,599,574,464), respectively. The average of the expected remaining service lives of all plan members is 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, and 5.72 years for the 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015, respectively.

State Contribution Payable Dates

Consistent with Chapter 83, P.L. 2016, it is assumed that the State will make pension contributions in equal amounts at the end of each quarter. This assumption does not apply to the fiscal year ending June 30, 2022 contribution that was paid in full at the beginning of the fiscal year.

10. Post-Retirement Benefits Other Than Pension

The New Jersey Redevelopment Authority provides healthcare to its employees and retirees through its participation in the State Health Benefits Program (SHBP), a cost sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical and prescription drugs to retirees and their covered dependents. All active full-time employees are covered by the SHBP. Employees become eligible for these benefits upon retirement after 25 years of creditable service in the PERS.

Benefit provisions for the plan are established and amended by the Authority's Members, and there is no statutory requirement for the Authority to continue this plan for future Authority employees. The Plan is a non-contributory plan with all payments for plan benefits being funded by the Authority. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

At June 30, 2022 and 2021, twelve (12) plan members (active and retiree) were receiving postretirement health care benefits in which the Authority was billed \$265,421 and \$145,983, respectively. Participating employers are contractually required to provide for their contributions based on the amount of premiums attributable to their retirees.

Plan Description and Benefits Provided:

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage

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10. Post-Retirement Benefits Other Than Pension (*continued*)

for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

Contributions

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Total OPEB Liability

Nonspecial Funding Situation - The State of New Jersey's Total OPEB Liability for nonspecial funding situation at June 30, 2022 and 2021 were \$12,775,785,891 and \$14,138,423,345, respectively.

The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Authority at June 30, 2022 and 2021 were \$2,583,774 and \$2,217,033, respectively. These allocated liabilities represent 0.015999% and 0.012317% of the State's Total Non-employer OPEB Liability for June 30, 2022 and 2021, respectively.

Components of Net OPEB Liability – The components of the collective net OPEB liability for PERS, including the State of New Jersey, is as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Total OPEB Liability	\$ 16,090,925,144	\$ 18,050,052,887
Plan Fiduciary Net Position	<u>(58,670,334)</u>	<u>50,271,652</u>
Net OPEB Liability	<u>\$ 16,149,595,478</u>	<u>\$ 17,999,781,235</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-0.36%	0.28%

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10. Post-Retirement Benefits Other Than Pension (*continued*)

Actuarial Assumptions and Other Inputs:

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The total liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in.

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases*:	
Public Employees' Retirement Systems (PERS)	2.75 - 6.55%
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PERS experience study prepared for July 1, 2021 to June 30, 2022, respectively.

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

Healthcare Trend Assumptions – For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53% respectively, trending to 4.5 for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

Discount Rate - The discount rate for June 30, 2022 and 2021 was 3.54% and 2.16%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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10. Post-Retirement Benefits Other Than Pension (continued)

Sensitivity of the State's Net OPEB Liability to Changes in the Discount Rate:

The following presents the net OPEB liability of the Authority and the collective participating employers as of June 30, 2022 and 2021, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease (2.54%)	At Discount Rate (3.54%)	1% Increase (4.54%)
Total Net OPEB Liability	\$ 18,720,632,230	\$ 16,149,595,478	\$ 14,080,955,857
Authority's Share	\$ 2,995,114	\$ 2,583,774	\$ 2,252,812

	June 30, 2021		
	1% Decrease (1.16%)	At Discount Rate (2.16%)	1% Increase (3.16%)
Total Net OPEB Liability	\$ 21,182,289,882	\$ 17,999,781,235	\$ 15,477,574,697
Authority's Share	\$ 2,609,023	\$ 2,217,033	\$ 1,906,373

Sensitivity of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the net OPEB liability as of June 30, 2022 and 2021, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability	\$ 13,700,188,049	\$ 16,149,595,478	\$ 19,286,596,571
Authority's Share	\$ 2,191,893	\$ 2,583,774	\$ 3,085,663

	June 30, 2021		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability	\$ 15,017,879,689	\$ 17,999,781,235	\$ 21,890,793,528
Authority's Share	\$ 1,849,752	\$ 2,217,033	\$ 2,696,289

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10. Post-Retirement Benefits Other Than Pension (*continued*)

At June 30, 2022 and 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2022	
	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Changes of assumptions	\$ 344,815	\$ 881,792
Changes in proportion	943,141	240,442
Difference between expected and actual experience	133,429	478,922
Net difference between projected and actual investment earnings on OPEB plan investments	680	
	<u>\$ 1,422,065</u>	<u>\$ 1,601,156</u>

	June 30, 2021	
	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Changes of assumptions	\$ 318,927	\$ 391,887
Changes in proportion	285,179	322,298
Difference between expected and actual experience	49,748	463,836
Net difference between projected and actual investment earnings on OPEB plan investments	1,060	
	<u>\$ 654,914</u>	<u>\$ 1,178,021</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending</u>	<u>Amount</u>
2023	\$ (138,510)
2024	(138,637)
2025	(66,715)
2026	26,325
2027	86,851
Thereafter	51,595
Total	<u>\$ (179,091)</u>

As of December 31, 2022 and 2021, the Authority recognized a full accrual OPEB expense/(benefit) of \$22,725 and (\$12,673), respectively.

Changes in Proportion - The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.82, 7.82, 7.87, 8.05, and 8.14 years for the 2022, 2021, 2020, 2019, and 2018 amounts, respectively.

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11. Federal Appropriations and Program Payments

In 2021, the Authority received appropriations from the United States Department of the Treasury, as part of the CARES Act of 2021, via the State of New Jersey, for purposes of administering an emergency grant program for businesses adversely impacted by the COVID-19 pandemic. The Authority recognizes the disbursement of these funds to grantees as program payments. For the year ended December 31, 2022, federal appropriations were \$3,120,344, program payments totaled \$3,090,505, and the Authority recognized \$29,839 in administrative expenses in connection with the program. For the year ended December 31, 2021, federal appropriations were \$13,925,600, program payments totaled \$13,508,981, and the Authority recognized \$416,619 in administrative expenses in connection with the program. A separate report will be issued as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

12. Leases

For the year ended December 31, 2022, the financial statements include the adoption of GASB Statement No. 87, "Leases" which was retrospectively implemented as of January 1, 2021 for comparative purposes and resulted in a restatement of the December 31, 2021 financial statements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is a lessee for a noncancellable lease of office space. The Authority recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the financial statements.

At commencement of a lease, the Authority initially measures the lease liability at the value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include:

Discount Rate	The Authority uses the interest rate charged by the lessor as indicated in the agreement. When the interest rate charged by the lessor is not provided the Authority generally uses its estimated incremental borrowing rate as the rate for leases.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Payments	Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the Authority is reasonably certain to exercise.

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12. Leases (continued)

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

At January 1, 2021, the Authority recognized a lease liability with an initial, individual value of \$636,901. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and the Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. The Authority's lease has an interest rate of 4.00%.

On December 31, 2019, New Jersey Redevelopment Authority entered into a 72-month lease as lessee for office and parking rental. An initial lease liability was recorded in the amount of \$636,901 at January 1, 2021, which was the date of the implementation of GASB Statement No. 87. The value of the right of use asset as of December 31, 2022 was \$636,901 with accumulated amortization of \$355,479.

The following is a summary of lease principal and interest payments from implementation date to maturity:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Remaining Balance</u>
As of January 1, 2021			\$ 636,901
2021	\$ 166,704	\$ 25,476	470,197
2022	176,553	18,808	293,644
2023	183,904	11,746	109,740
2024	109,740	4,390	-
	<u>\$ 636,901</u>	<u>\$ 60,420</u>	

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13. Changes in Accounting Principle/Restatement

Effective in the fiscal year ended December 31, 2022, the Authority implemented Governmental Accounting Standards Board Statement No. 87, "Leases" as described in the recent and adopted accounting standards footnote above. The Statement was implemented retroactively as of January 1, 2021 and resulted in a restatement to the December 31, 2021 financial statements as follows:

	Balance December 31, 2021	Restatement	Restated Balance December 31, 2021
Capital Assets	\$ 809,718	\$ 636,901	\$ 1,446,619
Accumulated Depreciation	(726,797)	(177,740)	(904,537)
Net Capital Assets	82,921	459,161	542,082
Lease Payable - Current Portion		176,553	176,553
Long-term Lease Payable		293,644	293,644
Total Lease Payable	-	470,197	470,197
General and Administrative Expense	1,192,517	25,476	1,217,993
Rent	192,180	(192,180)	
Depreciation/Amortization	19,678	177,740	197,418
Change in Net Position	1,404,375	11,036	1,415,411
Net Investment in Capital Assets	82,921	(11,036)	71,885
Restricted	26,754,557		26,754,557
Unrestricted Net Position	8,048,920		8,048,920
Total Net Position	<u>\$ 34,886,398</u>	<u>\$ (11,036)</u>	<u>\$ 34,875,362</u>

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New Jersey Redevelopment Authority
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Required Supplementary Information
Schedule of the Authority's Proportionate Share of Net Pension Liability

	Last Ten Fiscal Years*							
	2022	2021	2020	2019	2018	2017	2016	2015
Authority's % proportionate share of net pension liability	<u>0.00936443%</u>	<u>0.01316599%</u>	<u>0.01377596%</u>	<u>0.01447386%</u>	<u>0.01540108%</u>	<u>0.01551749%</u>	<u>0.01549203%</u>	<u>0.08241640%</u>
Authority's proportionate share of net pension liability	<u>\$ 1,413,222</u>	<u>\$ 1,559,708</u>	<u>\$ 2,246,498</u>	<u>\$ 2,607,970</u>	<u>\$ 3,032,396</u>	<u>\$ 3,612,224</u>	<u>\$ 4,588,296</u>	<u>\$ 1,850,083</u>
Authority's covered employee payroll	<u>\$ 1,360,115</u>	<u>\$ 897,748</u>	<u>\$ 942,781</u>	<u>\$ 1,017,718</u>	<u>\$ 1,067,672</u>	<u>\$ 1,166,714</u>	<u>\$ 1,115,703</u>	<u>\$ 1,032,317</u>
Authority's proportionate share of net pension liability as a % of covered employee payroll	<u>103.9%</u>	<u>173.7%</u>	<u>238.3%</u>	<u>256.3%</u>	<u>284.0%</u>	<u>309.6%</u>	<u>411.2%</u>	<u>179.2%</u>
Plan fiduciary net position as a % of total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

*Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

See independent auditors' report

New Jersey Redevelopment Authority
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Required Supplementary Information
Schedule of Contributions

	Last Ten Fiscal Years*							
	2022	2021	2020	2019	2018	2017	2016	2015
Authority's required contribution	\$ 118,090	\$ 154,189	\$ 150,702	\$ 140,788	\$ 136,746	\$ 137,629	\$ 75,700	75,719
Authority's contributions in relation to the contractually required contribution	\$ 118,090	\$ 154,189	\$ 150,702	\$ 140,788	\$ 136,746	\$ 137,629	\$ 75,700	75,719
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered employee payroll	\$ 897,748	\$ 942,781	\$ 1,017,718	\$ 1,067,672	\$ 1,166,714	\$ 1,115,703	\$ 1,032,317	\$ 1,032,317
Contributions as a % of covered employee payroll	13.15%	16.35%	14.81%	13.19%	11.72%	12.34%	7.33%	7.33%

*Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

Notes to Required Supplementary Information

Public Employees' Retirement System

Change in benefit terms:

There were none.

Change in Assumptions:

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Discount Rate	7.00%	7.00%	7.00%	6.28%	5.66%	5.00%	3.98%	4.90%
Inflation Rate	2.75%	2.75%	2.75%	2.75%	2.25%	2.25%	3.08%	3.04%
Long-term Rate of Return	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.65%	7.90%

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Required Supplementary Information
Schedule of Authority's Proportionate Share of the Net OPEB Liability
State Health Benefit Local Government Retired Employees' plan

	Last Ten Fiscal Years*						
	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net OPEB liability	0.015999%	0.012317%	0.011516%	0.010730%	0.011587%	0.012391%	0.01457%
Authority's proportionate share of the net OPEB liability	\$ 2,583,774	\$ 2,217,033	\$ 2,066,732	\$ 1,453,493	\$ 1,815,291	\$ 2,529,720	\$ 2,973,772
Covered employee payroll	\$ 1,360,115	\$ 897,748	\$ 942,781	\$ 1,017,718	\$ 1,067,672	\$ 1,166,714	\$ 1,115,703
Authority's proportionate share of the net OPEB liability as a percentage of it's covered employee payroll	189.97%	246.95%	219.22%	142.82%	170.02%	216.82%	266.54%
Plan Fiduciary net position as a percentage of the total OPEB liability	-0.36%	0.28%	0.91%	1.98%	1.97%	1.03%	0.69%

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

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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New Jersey Redevelopment Authority
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Required Supplementary Information
Schedule of Authority's Contributions
State Health Benefit Local Government Retired Employees' Plan

Last Ten Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 265,421	\$ 145,983	\$ 139,092	\$ 129,394	\$ 147,664	\$ 158,318	\$ 136,339
Contributions in relation to the contractually required contribution	<u>\$ (265,421)</u>	<u>\$ (145,983)</u>	<u>\$ (139,092)</u>	<u>\$ (129,394)</u>	<u>\$ (147,664)</u>	<u>\$ (158,318)</u>	<u>\$ (136,339)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered employee payroll	\$ 897,748	\$ 942,781	\$ 1,017,718	\$ 1,067,672	\$ 1,166,714	\$ 1,115,703	\$1,115,703
Contributions as a percentage of covered-employee payroll	29.57%	15.48%	13.67%	12.12%	12.66%	14.19%	12.22%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information

Change in benefit terms

There were none.

Change in assumptions

The discount rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

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