

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)

FINANCIAL STATEMENTS
with
Independent Auditor's Report

FOR YEARS ENDED
DECEMBER 31, 2024 AND 2023

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>Page</u>
INTRODUCTORY SECTION	
Roster of Officials at December 31, 2024.....	1
FINANCIAL SECTION	
Independent Auditor's Report.....	2
Required Supplementary Information:	
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Statements of Net Position.....	14
Statements of Revenues, Expenses, and Changes in Net Position.....	16
Statements of Cash Flows.....	17
Notes to Financial Statements.....	19
Other Required Supplementary Information:	
Schedules of the Authority's Proportionate Share of the Net	
Pension Liability - Public Employees Retirement System	71
Schedules of Authority Contributions -	
Public Employees Retirement System.....	72
Schedules of Changes in the State's Proportionate Share of OPEB Liability	
Attributable to the Authority and Related Ratios	
State Health Benefits Retired Employees OPEB Plan.....	73
Notes to Required Supplementary Information.....	74
SINGLE AUDIT SECTION	
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 <i>Government Auditing Standards</i>	75
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control	
Over Compliance Required by the Uniform Guidance and New Jersey Circular Letter 15-08-OMB.....	77
Schedule of Expenditures of Federal Awards.....	80
Schedule of Expenditures of State Financial Assistance.....	81
Notes to Schedules of Expenditures of Federal	
Awards and State Financial Assistance.....	82
Schedule of Findings and Questioned Costs :	
Section I - Summary of Auditor's Results.....	83
Section II - Financial Statement Findings.....	85
Section III - Federal Awards and State Financial Assistance Findings	
and Questioned Costs.....	86
Summary Schedule of Prior Year Audit Findings and Questioned Costs.....	87
SUPPLEMENTARY INFORMATION	
Schedule of Operating Revenue and Costs Funded by Operating Revenue	
Compared to Budget - Water Fund.....	88
Schedule of Operating Revenue and Costs Funded by Operating Revenue	
Compared to Budget - Sewer Fund.....	90
Schedule of Operating Revenue and Costs Funded by Operating Revenue	
Compared to Budget - Sewer Fund.....	92
Comments and Recommendations.....	94

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)

INTRODUCTORY SECTION

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
ROSTER OF OFFICIALS
DECEMBER 31, 2024

The following individuals held office at December 31, 2024:

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Maureen Hulings	Chairperson	January 31, 2024
Jeanine Zampella	Vice Chairperson	January 31, 2021 ⁽¹⁾
Kathleen Hartye	Commissioner	January 31, 2018 ⁽¹⁾
Maureen Nally	Commissioner	January 31, 2020 ⁽¹⁾
Mofalc Meinga	Commissioner	January 31, 2023 ⁽¹⁾
David Moore	First Alternate Commissioner	January 31, 2023 ⁽¹⁾
Vacant	Second Alternate Commissioner	
Jose Cunha	Executive Director	
Joseph Coviello	Deputy Executive Director	
Edward Conti	Director of Compliance	
John D. Folk, CPA	Director of Finance	
Elmer Andal	Director of Operations	
Richard Haytas	Senior Engineer	
DeCotiis, FitzPatrick & Cole, LLP	General Counsel	

⁽¹⁾ - Holdover

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)

FINANCIAL SECTION

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

Introduction

The following discussion and analysis provides an overview of the financial position and activities of the Jersey City Municipal Utilities Authority, (the "Authority") for the years ended December 31, 2024 and 2023 with comparative information from previous years. This discussion has been prepared by management and should be read in conjunction with the financial statements including the notes thereto, which follow this section.

The Authority provides water and sewerage services and solid waste and recyclable material collection services, to eligible customers located within the City of Jersey City.

Financial Highlights

For the years ended December 31, 2024, 2023 and 2022, respectively:

- The Authority's combined assets exceeded its combined liabilities excluding deferred inflows and outflows of resources in the amounts of \$211,368,780, \$202,562,300, and \$196,625,228.
- The Authority's current assets to current liabilities ratios were .84, .73, and 1.16.
- The Authority's non-current liabilities had an increase in the amounts of \$437,301,900, \$67,980,311, and \$21,832,507.
- The Authority's Water Fund operating revenues were \$9,573,976, \$10,216,177, and \$2,106,105 over budget.
- The Authority's Water Fund operating expenses were \$3,610,927, \$4,949,403, and (\$260,451) under/(over) budget.
- The Authority's Sewer Fund operating revenues were (\$3,473,292), (\$8,828,444), and \$19,320,417(under)/over budget.
- The Authority's Sewer Fund operating expenses were \$27,184,264, \$25,509,624 and \$3,639,679 under/(over) budget.
- The Authority's Solid Waste operating revenues were (\$204,319), (\$2,605,903) and \$734,097 (under)/over budget.
- The Authority's Solid Waste operating expenses were \$2,570,619, \$3,333,333 and \$816,358 under/(over) budget.

Overview of the Financial Statements

This annual report includes this management's discussion and analysis, the independent auditor's report and the basic financial statements of the Authority. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The financial statements of the Authority report information using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about the Authority's activities. The *Statement of Net Position* includes all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, and provides information about the nature and amounts of investments in resources (assets), the consumption of net assets that is applicable to the future reporting period (deferred inflows of resources) and the obligations to Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing its liquidity and financial flexibility.

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 results of the Authority's operations over the past year and can be used to determine whether the Authority has recovered all its costs through user fees and other charges, operational stability, and credit worthiness.

The final required financial statement is the *Statement of Cash Flows*. This statement reports cash receipts and cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as what operational sources provided cash, what the cash was used for, and what the change in cash balance was during the reporting period.

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information. This required supplementary information follows the notes to the financial statements.

Financial Analysis of the Authority

One of the most important questions asked about the Authority's finances is "Is the Authority as a whole better able to fulfill its mission as a result of this year's activities?" The *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes in Net Position* report information about the Authority's activities in a way that will help answer this question. These two statements report net position of the Authority and the changes in its net position.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

Net Position

A summary of the Authority's combined water, sewer and solid waste net position for the years 2024, 2023 and 2022, is presented in the following table:

	2024	Restated 2023	2022
Assets:			
Current Assets:			
Unrestricted:			
Cash and Cash Equivalents	\$ 49,047,488	\$ 43,737,102	\$ 18,734,419
User Receivable (Net), Other Assets	42,950,238	46,634,925	63,279,691
Total Unrestricted Assets	<u>91,997,726</u>	<u>90,372,027</u>	<u>82,014,110</u>
Restricted:			
Cash, Cash Equivalents and Investments	50,299,691	45,095,949	90,000,918
Due from New Jersey Infrastructure Bank	29,497,583	22,309,887	52,313,084
Other Receivables	26,727	24,231	6,754
Total Restricted Assets	<u>79,824,001</u>	<u>67,430,067</u>	<u>142,320,756</u>
Total Current Assets	<u>171,821,727</u>	<u>157,802,094</u>	<u>224,334,866</u>
Non-Current Assets:			
Capital Assets, Net	655,948,290	591,010,391	501,578,340
Right of Use Asset, Net	452,453,904	97,693,089	23,470,167
Total Non-Current Assets	<u>1,108,402,194</u>	<u>688,703,480</u>	<u>525,048,507</u>
Deferred Outflows of Resources	<u>12,920,833</u>	<u>16,855,444</u>	<u>20,834,239</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,293,144,754</u>	<u>\$ 863,361,018</u>	<u>\$ 770,217,612</u>
Liabilities:			
Current Liabilities (Excluding Bonds Payable, Notes Payable, Franchise Agreement Liability)	\$ 42,901,325	\$ 51,964,442	\$ 49,441,695
Bonds Payable, Notes Payable, and Franchise Agreement Liability:			
Curren portion	161,227,269	164,554,185	143,872,114
Long-Term Portion	807,324,254	373,194,067	307,753,535
	<u>968,551,523</u>	<u>537,748,252</u>	<u>451,625,649</u>
Net Pension Obligations	18,774,159	20,178,191	20,684,870
Net Other Post-Employment Benefits Liability	38,628,134	34,052,389	31,005,931
Total Liabilities	<u>1,068,855,141</u>	<u>643,943,274</u>	<u>552,758,145</u>
Deferred Inflows of Resources	<u>5,946,410</u>	<u>14,589,428</u>	<u>21,686,135</u>
Net Position:			
Net Investment in Capital Assets	212,422,113	208,051,080	208,067,600
Restricted	8,696,622	11,913,238	90,000,918
Unrestricted	(2,775,532)	(15,136,002)	(102,295,186)
Total Net Position	<u>218,343,203</u>	<u>204,828,316</u>	<u>195,773,332</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 1,293,144,754</u>	<u>\$ 863,361,018</u>	<u>\$ 770,217,612</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

Statement of Changes in Net Position

A summary of the Authority's combined water, sewer and solid waste statement of revenues, expenses and changes in net position for the years 2024, 2023 and 2022, is presented in the following table:

	2024	Restated 2023	2022
Operating Revenues:			
Water Users Charges	\$ 62,135,060	\$ 60,330,766	\$ 57,922,182
Sewer Users Charges and Service Agreements	101,175,508	87,334,753	87,052,236
Solid Waste	18,577,579	16,834,097	17,201,306
Connection & Compliance Fees	12,531,953	16,273,749	12,522,301
Other Revenues	7,021,873	5,050,163	4,666,803
Total Operating Revenues	<u>201,441,973</u>	<u>185,823,528</u>	<u>179,364,828</u>
Operating Expenses:			
Administrative and General	18,608,609	15,299,835	18,753,054
Cost of Providing Services	84,544,148	80,524,908	99,687,041
Amortization Expense	8,493,157	29,310,303	4,694,033
Depreciation Expense	42,265,851	33,386,537	25,364,375
Total Operating Expenses	<u>153,911,765</u>	<u>158,521,583</u>	<u>148,498,503</u>
Operating Income	<u>47,530,208</u>	<u>27,301,945</u>	<u>30,866,325</u>
Non-Operating Income (Expenses):			
Interest on Delinquent Payments	1,486,643	2,278,064	1,376,761
Interest on Investments	4,515,138	2,985,342	1,550,674
Bad Debt Expense	-	(2,773,015)	(882,729)
Operations and Maintenance	(2,677,235)	(1,120,321)	(771,369)
Renewal and Replacement	(4,299,727)	(5,967,081)	(2,604,597)
Interest Expense on Bonds and Notes	(12,642,449)	(7,334,532)	(6,128,168)
Interest Expense on Franchise Agreement	(17,647,691)	(3,565,418)	-
Unrestricted Net Position Appropriations	(2,750,000)	(2,750,000)	-
Total Non-Operating Income (Expenses)	<u>(34,015,321)</u>	<u>(18,246,961)</u>	<u>(7,459,428)</u>
Change in Net Position	13,514,887	9,054,984	23,406,897
Net Position, January 1	<u>204,828,316</u>	<u>195,773,332</u>	<u>172,366,435</u>
Net Position, December 31	<u>\$ 218,343,203</u>	<u>\$ 204,828,316</u>	<u>\$ 195,773,332</u>

Budgetary Highlights

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

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

Budgetary Highlights (Continued)

The following tables provides a 2024, 2023, and 2022 budget comparison for the Water Fund:

Budget vs Actual - Water Fund
For Year Ended December 31, 2024

	Budget	Actual	Variance
Revenues:			
Operating	\$ 77,096,120	\$ 86,670,096	\$ 9,573,976
Non-Operating	1,835,000	3,288,803	1,453,803
Total Revenues	<u>78,931,120</u>	<u>89,958,899</u>	<u>11,027,779</u>
Appropriations:			
Operating	65,382,691	61,771,764	3,610,927
Non-Operating	13,548,429	14,976,362	(1,427,933)
Total Appropriations	<u>78,931,120</u>	<u>76,748,126</u>	<u>2,182,994</u>
	<u>\$ -</u>	<u>\$ 13,210,773</u>	<u>\$ 13,210,773</u>

For Year Ended December 31, 2023

	Budget	Actual	Variance
Revenues:			
Operating	\$ 72,200,000	\$ 82,416,778	\$ 10,216,778
Non-Operating	1,226,000	2,330,768	1,104,768
Total Revenues	<u>73,426,000</u>	<u>84,747,546</u>	<u>11,321,546</u>
Appropriations:			
Operating	60,235,795	55,286,392	4,949,403
Non-Operating	13,190,205	13,133,959	56,246
Total Appropriations	<u>73,426,000</u>	<u>68,420,351</u>	<u>5,005,649</u>
	<u>\$ -</u>	<u>\$ 16,327,195</u>	<u>\$ 16,327,195</u>

For Year Ended December 31, 2022

	Budget	Actual	Variance
Revenues:			
Operating	\$ 69,130,000	\$ 71,236,105	\$ 2,106,105
Non-Operating	750,000	1,400,152	650,152
Total Revenues	<u>69,880,000</u>	<u>72,636,257</u>	<u>2,756,257</u>
Appropriations:			
Operating	61,793,819	62,054,270	(260,451)
Non-Operating	13,086,181	5,570,720	7,515,461
Unrestricted Net Position Utilized	(5,000,000)	-	(5,000,000)
Total Appropriations	<u>69,880,000</u>	<u>67,624,990</u>	<u>2,255,010</u>
	<u>\$ -</u>	<u>\$ 5,011,267</u>	<u>\$ 5,011,267</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

Budgetary Highlights (Continued)

The following tables provide a 2024, 2023, and 2022 budget comparison for the Sewer Fund:

Budget vs Actual - Sewer Fund
For Year Ended December 31, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Operating	\$ 99,360,488	\$ 95,887,196	\$ (3,473,292)
Non-Operating	1,330,000	2,569,966	1,239,966
Total Revenues	<u>100,690,488</u>	<u>98,457,162</u>	<u>(2,233,326)</u>
Appropriations:			
Operating	87,471,259	60,286,995	27,184,264
Non-Operating	13,219,229	7,393,049	5,826,180
Total Appropriations	<u>100,690,488</u>	<u>67,680,044</u>	<u>33,010,444</u>
	<u>\$ -</u>	<u>\$ 30,777,118</u>	<u>\$ 30,777,118</u>

For Year Ended December 31, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Operating	\$ 95,207,000	\$ 86,378,556	\$ (8,828,444)
Non-Operating	800,000	2,607,637	1,807,637
Total Revenues	<u>96,007,000</u>	<u>88,986,193</u>	<u>(7,020,807)</u>
Appropriations:			
Operating	83,842,988	58,333,364	25,509,624
Non-Operating	12,164,012	6,810,990	5,353,022
Total Appropriations	<u>96,007,000</u>	<u>65,144,354</u>	<u>30,862,646</u>
	<u>\$ -</u>	<u>\$ 23,841,839</u>	<u>\$ 23,841,839</u>

For Year Ended December 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Operating	\$ 71,607,000	\$ 90,927,417	\$ 19,320,417
Non-Operating	34,000	882,791	848,791
Total Revenues	<u>71,641,000</u>	<u>91,810,208</u>	<u>20,169,208</u>
Appropriations:			
Operating	60,096,159	56,456,480	3,639,679
Non-Operating	11,544,841	4,816,143	6,728,698
Total Appropriations	<u>71,641,000</u>	<u>61,272,623</u>	<u>10,368,377</u>
	<u>\$ -</u>	<u>\$ 30,537,585</u>	<u>\$ 30,537,585</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

Budgetary Highlights (Continued)

The following tables provides a 2024, 2023 and 2022 budget comparison for the Solid Waste Fund:

Budget vs Actual - Solid Waste
For Year Ended December 31, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Operating	\$ 19,089,000	\$ 18,884,681	\$ (204,319)
Non-Operating	4,086	143,012	138,926
Total Revenues	<u>19,093,086</u>	<u>19,027,693</u>	<u>(65,393)</u>
Appropriations:			
Operating	18,757,675	16,187,056	2,570,619
Non-Operating	335,411	-	335,411
Total Appropriations	<u>19,093,086</u>	<u>16,187,056</u>	<u>2,906,030</u>
	<u>\$ -</u>	<u>\$ 2,840,637</u>	<u>\$ 2,840,637</u>

For Year Ended December 31, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Operating	\$ 18,900,000	\$ 16,834,097	\$ (2,065,903)
Total Revenues	<u>18,900,000</u>	<u>16,834,097</u>	<u>(2,065,903)</u>
Appropriations:			
Operating	18,900,000	15,566,667	3,333,333
Total Appropriations	<u>18,900,000</u>	<u>15,566,667</u>	<u>3,333,333</u>
	<u>\$ -</u>	<u>\$ 1,267,430</u>	<u>\$ 1,267,430</u>

For Year Ended December 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Operating	\$ 16,100,000	\$ 16,834,097	\$ 734,097
Non-Operating	-	325,000	325,000
Total Revenues	<u>16,100,000</u>	<u>17,159,097</u>	<u>1,059,097</u>
Appropriations:			
Operating	16,100,000	15,283,642	816,358
Total Appropriations	<u>16,100,000</u>	<u>15,283,642</u>	<u>816,358</u>
	<u>\$ -</u>	<u>\$ 1,875,455</u>	<u>\$ 1,875,455</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

Right of Use Asset

A summary of the Authority's Right of Use Asset is presented in the following table:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>Change 2024 vs 2023</u>	<u>Change 2023 vs 2022</u>
Right of Use Asset:					
Right of Use Assets Leasehold Interests	\$ 618,135,687	\$ 273,073,403	\$ 169,235,303	\$ (345,062,284)	\$ 103,838,100
Less: Accumulated Amortization	<u>(165,681,783)</u>	<u>(175,380,314)</u>	<u>(145,765,136)</u>	<u>9,698,531</u>	<u>(29,615,178)</u>
Total Right of Use Asset, Net	<u>\$ 452,453,904</u>	<u>\$ 97,693,089</u>	<u>\$ 23,470,167</u>	<u>\$ (335,363,753)</u>	<u>\$ 74,222,922</u>

Capital Assets

A summary of the Authority's capital assets is presented in the following table:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>Change 2024 vs 2023</u>	<u>Change 2023 vs 2022</u>
Capital Assets:					
Non-Depreciable:					
Land	\$ 346,572	\$ 346,572	\$ 346,572	\$ -	\$ -
Work in Progress	33,774,330	167,240,057	125,834,609	(133,465,727)	41,405,448
Work in Progress - Leasehold Improvements	<u>38,855,315</u>	<u>57,159,915</u>	<u>28,107,286</u>	<u>(18,304,600)</u>	<u>29,052,629</u>
Total Non-Depreciable	<u>72,976,217</u>	<u>224,746,544</u>	<u>154,288,467</u>	<u>(151,770,327)</u>	<u>70,458,077</u>
Depreciable:					
Infrastructure and Improvements	623,666,853	440,781,711	407,391,425	182,885,142	33,390,286
Equipment, Meters & Vehicles	63,049,120	62,344,038	60,018,699	705,082	2,325,339
Leasehold Improvements	<u>258,832,714</u>	<u>184,811,277</u>	<u>168,166,392</u>	<u>74,021,437</u>	<u>16,644,885</u>
Total Depreciable	<u>945,548,687</u>	<u>687,937,026</u>	<u>635,576,516</u>	<u>257,611,661</u>	<u>52,360,510</u>
Less: Accumulated Depreciation	<u>(362,576,614)</u>	<u>(321,673,179)</u>	<u>(288,286,642)</u>	<u>(40,903,435)</u>	<u>(33,386,537)</u>
Total Depreciable, Net	<u>582,972,073</u>	<u>366,263,847</u>	<u>347,289,874</u>	<u>216,708,226</u>	<u>18,973,973</u>
Total Capital Assets, Net	<u>\$ 655,948,290</u>	<u>\$ 591,010,391</u>	<u>\$ 501,578,341</u>	<u>\$ 64,937,899</u>	<u>\$ 89,432,050</u>

Debt Administration

A summary of the Authority's outstanding debt is presented in the following table:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>Change 2024 vs 2023</u>	<u>Change 2023 vs 2022</u>
Outstanding Bonds and Notes:					
Water Revenue and Refunding Bonds	\$ 65,630,000	\$ 20,360,000	\$ 24,875,000	\$ 45,270,000	\$ (4,515,000)
Sewer Revenue and Refunding Bonds	13,515,000	15,320,000	17,100,000	(1,805,000)	(1,780,000)
Water NJIB Bonds	135,190,146	86,126,558	79,790,905	49,063,588	6,335,653
Sewer NJIB Bonds	194,002,955	194,143,227	193,135,914	(140,272)	1,007,313
Notes Payable	130,000,000	130,000,000	130,000,000	-	-
Bonds Held by the City of Jersey City	<u>3,515,000</u>	<u>4,200,000</u>	<u>4,825,000</u>	<u>(685,000)</u>	<u>(625,000)</u>
Total Outstanding Bonds and Notes	<u>\$ 541,853,101</u>	<u>\$ 450,149,785</u>	<u>\$ 449,726,819</u>	<u>\$ 91,703,316</u>	<u>\$ 422,966</u>

Full details of the specific debt issues outstanding are found in Note 12 of the financial statements.

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

Franchise Agreement Liability

A summary of the Authority’s franchise fee liability is presented in the following table:

	2024	2023	2022	Change 2024 vs 2023	Change 2023 vs 2022
Franchise Agreement Liability	\$ 413,223,025	\$ 85,403,517	\$ -	\$ 327,819,508	\$ 85,403,517

Economic Factors, Future Year’s Budget and Rates

The Commissioners and management of the Authority consider many factors when preparing each year’s budget and annual charges. Two of the main factors are growth in the Authority’s system and new regulations issued by State and Federal governments. The Authority has undertaken aggressive long-term infrastructure upgrade projects to ensure the Authority will continue to provide its customers with quality water and sewer services. Many of the infrastructure projects will also help the Authority meet new State and Federal regulations with minimal impact on the rate payers. The Authority is also working with the City of Jersey City to renew the operating franchise agreement.

User charges consist of water, sewer and solid waste and recycling user fee revenues billed by the Authority to its customers. Water and sewer are billed based on water consumption measured in Centum Cubic Feet (CCF), and solid waste and recycling is billed based on equivalent dwelling units. For the years ended December 31, 2024 and 2023 the water rate was \$5.08 and \$4.75 per CCF, the sewer rate was \$7.01 and \$6.55 per CCF, and the solid waste and recycling rate was \$12.50 per month per equivalent dwelling unit, respectively.

In the table listed below is a list of the Authority’s top ten customers for the year ended December 31, 2024.

Number	Customer	Consumption in CCF
1	Veolia*	3,767,900
2	City of Hoboken*	2,399,701
3	Montville Township*	243,041
4	Parsippany - Troy Hills*	240,344
5	NJ Transit	108,100
6	W.A. Golf Company, LLC	71,609
7	Liberty State Park	46,767
8	Liberty Towers, LLC	37,327
9	Metropolis Towrs Apt Corp	34,819
10	Nestle Waters	34,309

* Bulk Water Contracts

The authority billed its bulk water customers in the amounts of \$2,720 and \$2,542 per million gallons for the years ended December 31, 2024 and 2023.

Contacting the Authority

This financial report is designed to provide the City of Jersey City citizens and ratepayers, 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 revenues and grants that it receives. If you have questions about this report or need additional financial information, you may contact the Authority’s Director of Finance at 13-15 Linden Avenue, Jersey City, New Jersey, 07035 or at (201) 432-1150.

INDEPENDENT AUDITOR’S REPORT

Honorable Chairperson and
Members of the Board of Commissioners
Jersey City Municipal Utilities Authority
Jersey City, New Jersey

Opinion

We have audited the accompanying financial statements of the Jersey City Municipal Utilities Authority (the “Authority”), a component unit of the City of Jersey City, New Jersey, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, as listed in the table of contents.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinion.

Emphasis of Matter

As explained in note 2, the 2023 financial statements have been restated to retroactively implement GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to recognize the Authority’s water service franchise and service agreement with the City of Jersey City as a public-public partnership (PPP). Our opinion is not modified in respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgment, 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.

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



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

Secaucus, New Jersey
February 12, 2026

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City)
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

	Water Fund		Sewer Fund		Solid Waste Fund		Total	
	2024	Restated 2023	2024	2023	2024	2023	2024	Restated 2023
Assets:								
Current Assets:								
Unrestricted Assets:								
Cash and Cash Equivalents	\$ 11,879,652	\$ 20,953,427	\$ 27,201,893	\$ 14,442,209	\$ 9,965,943	\$ 8,341,466	\$ 49,047,488	\$ 43,737,102
Prepaid Expenses	5,500,000	8,864,408	597,148	534,837	-	-	6,097,148	9,399,245
Sewer - User Fees Receivable, Net of Allowance for Doubtful Accounts of \$502,828 in 2024 and \$445,173 in 2023	-	-	4,400,036	4,120,328	-	-	4,400,036	4,120,328
Water - User Fees Receivable, Net of Allowance for Doubtful Accounts of \$1,625,174 in 2024 and \$4,032,270 in 2023	10,972,724	6,595,644	-	-	-	-	10,972,724	6,595,644
Solid Waste - User Fees Receivable, Net of Allowance for Doubtful Accounts of \$106,276 in 2024 and \$141,534 in 2023	-	-	-	-	1,121,954	1,653,410	1,121,954	1,653,410
Accounts Receivable	5,850,800	1,982,575	5,009,352	1,551,095	-	-	10,860,152	3,533,670
Due from Solid Waste Fund	-	-	1,568,232	7,052,492	-	-	1,568,232	7,052,492
Due from Water Fund	-	-	7,797,380	10,368,162	132,612	3,911,974	7,929,992	14,280,136
Total Unrestricted Assets	<u>34,203,176</u>	<u>38,396,054</u>	<u>46,574,041</u>	<u>38,069,123</u>	<u>11,220,509</u>	<u>13,906,850</u>	<u>91,997,726</u>	<u>90,372,027</u>
Restricted Assets:								
Construction Account:								
Cash and Cash Equivalents	38,676,447	3,824,242	2,926,622	29,358,469	-	-	41,603,069	33,182,711
Due from New Jersey Infrastructure Bank	17,770,723	10,949,407	11,726,860	11,360,480	-	-	29,497,583	22,309,887
Other Receivables	-	-	26,727	24,231	-	-	26,727	24,231
Bond Service Fund:								
Cash and Cash Equivalents	527,286	3,992,045	-	-	-	-	527,286	3,992,045
Bond Reserve Account:								
Cash and Cash Equivalents	3,360,336	3,202,859	-	-	-	-	3,360,336	3,202,859
Investments	4,809,000	4,718,334	-	-	-	-	4,809,000	4,718,334
Total Restricted Assets	<u>65,143,792</u>	<u>26,686,887</u>	<u>14,680,209</u>	<u>40,743,180</u>	<u>-</u>	<u>-</u>	<u>79,824,001</u>	<u>67,430,067</u>
Total Current Assets	<u>99,346,968</u>	<u>65,082,941</u>	<u>61,254,250</u>	<u>78,812,303</u>	<u>11,220,509</u>	<u>13,906,850</u>	<u>171,821,727</u>	<u>157,802,094</u>
Noncurrent Assets:								
Capital Assets, Net	218,819,193	179,013,086	437,129,097	411,997,305	-	-	655,948,290	591,010,391
Right-of-Use Asset, Net	452,453,904	97,693,089	-	-	-	-	452,453,904	97,693,089
Total Non Current Assets, Net	<u>671,273,097</u>	<u>276,706,175</u>	<u>437,129,097</u>	<u>411,997,305</u>	<u>-</u>	<u>-</u>	<u>1,108,402,194</u>	<u>688,703,480</u>
Total Assets	<u>770,620,065</u>	<u>341,789,116</u>	<u>498,383,347</u>	<u>490,809,608</u>	<u>11,220,509</u>	<u>13,906,850</u>	<u>1,280,223,921</u>	<u>846,505,574</u>
Deferred Outflows of Resources:								
Deferred Pension Liability Outflows	787,106	742,494	3,148,425	2,793,194	-	-	3,935,531	3,535,688
Deferred Other Post-Employment Benefits Liability Outflows	1,151,407	2,108,970	6,363,105	9,607,532	-	-	7,514,512	11,716,502
Deferred Costs in Excess of Refunded Debt	634,297	655,229	836,493	948,025	-	-	1,470,790	1,603,254
Total Deferred Outflows of Resources	<u>2,572,810</u>	<u>3,506,693</u>	<u>10,348,023</u>	<u>13,348,751</u>	<u>-</u>	<u>-</u>	<u>12,920,833</u>	<u>16,855,444</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 773,192,875</u>	<u>\$ 345,295,809</u>	<u>\$ 508,731,370</u>	<u>\$ 504,158,359</u>	<u>\$ 11,220,509</u>	<u>\$ 13,906,850</u>	<u>\$ 1,293,144,754</u>	<u>\$ 863,361,018</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City)
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

	Water Fund		Sewer Fund		Solid Waste Fund		Total	
	2024	Restated 2023	2024	2023	2024	2023	2024	Restated 2023
Liabilities:								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 12,842,684	\$ 7,272,524	\$ 5,143,113	\$ 11,410,970	\$ -	\$ -	\$ 17,985,797	\$ 18,683,494
Accounts Payable - Pension Related	382,050	-	1,528,202	1,891,876	-	-	1,910,252	1,891,876
Customer Deposits	4,080,959	2,711,671	1,596,445	1,164,900	415,255	457,973	6,092,659	4,334,544
Due to Sewer Fund	7,797,380	10,368,162	-	-	1,568,232	7,052,492	9,365,612	17,420,654
Due to Solid Waste Fund	132,612	3,911,974	-	-	-	-	132,612	3,911,974
Accrued Interest Payable	2,598,719	1,780,149	4,086,257	3,010,517	-	-	6,684,976	4,790,666
Compensated Absences Liability	109,773	120,403	189,209	236,918	-	-	298,982	357,321
Advance Sale of Bond Interest	430,435	573,913	-	-	-	-	430,435	573,913
Bond Payable (JCMUA Held)	9,539,185	7,584,143	8,689,729	6,365,857	-	-	18,228,914	13,950,000
Bonds Payable (Jersey City Held)	345,000	685,000	-	-	-	-	345,000	685,000
Notes Payable	50,000,000	50,000,000	80,000,000	80,000,000	-	-	130,000,000	130,000,000
Franchise Agreement Liability	12,653,355	19,919,185	-	-	-	-	12,653,355	19,919,185
Total Current Liabilities	100,912,152	104,927,124	101,232,955	104,081,038	1,983,487	7,510,465	204,128,594	216,518,627
Long-Term Liabilities:								
Bonds Payable (JCMUA Held)	198,173,013	99,205,216	205,075,238	204,410,053	-	-	403,248,251	303,615,269
Bonds Payable (Jersey City Held)	3,506,333	4,094,466	-	-	-	-	3,506,333	4,094,466
Franchise Agreement Liability	400,569,670	65,484,332	-	-	-	-	400,569,670	65,484,332
Net Pension Liability	3,754,832	4,237,420	15,019,327	15,940,771	-	-	18,774,159	20,178,191
Net Other Post-Employment Benefits Liability	6,704,055	6,129,430	31,924,079	27,922,959	-	-	38,628,134	34,052,389
Total Long-Term Liabilities	612,707,903	179,150,864	252,018,644	248,273,783	-	-	864,726,547	427,424,647
Total Liabilities	713,620,055	284,077,988	353,251,599	352,354,821	1,983,487	7,510,465	1,068,855,141	643,943,274
Deferred Inflows of Resources								
Deferred Pension Liability Inflows	212,158	274,127	848,632	1,031,240	-	-	1,060,790	1,305,367
Deferred Other Post-Employment Benefits Liability Inflows	534,318	2,321,509	4,071,861	10,575,764	-	-	4,606,179	12,897,273
Deferred Gain on Refinancing and Refunding of Debt	80,019	116,075	199,422	270,713	-	-	279,441	386,788
Total Deferred Inflows of Resources	826,495	2,711,711	5,119,915	11,877,717	-	-	5,946,410	14,589,428
Net Position:								
Net Investments in Capital Assets	53,568,008	45,162,711	158,854,105	162,888,369	-	-	212,422,113	208,051,080
Restricted:								
Bond Service Fund	527,286	3,992,045	-	-	-	-	527,286	3,992,045
Bond Reserve Account	8,169,336	7,921,193	-	-	-	-	8,169,336	7,921,193
Unrestricted:								
Undesignated	(3,518,305)	1,430,161	(8,494,249)	(22,962,548)	9,237,022	6,396,385	(2,775,532)	(15,136,002)
Total Net Position	58,746,325	58,506,110	150,359,856	139,925,821	9,237,022	6,396,385	218,343,203	204,828,316
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 773,192,875	\$ 345,295,809	\$ 508,731,370	\$ 504,158,359	\$ 11,220,509	\$ 13,906,850	\$ 1,293,144,754	\$ 863,361,018

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

	Water Fund		Sewer Fund		Solid Waste Fund		Total	
	2024	Restated 2023	2024	2023	2024	2023	2024	Restated 2023
Operating Revenues:								
User Charges	\$ 62,135,060	\$ 60,330,766	\$ 66,716,610	\$ 65,303,894	\$ -	\$ -	\$ 128,851,670	\$ 125,634,660
Bulk Water	13,286,887	12,037,846	-	-	-	-	13,286,887	12,037,846
Service Agreements	-	-	11,479,612	6,335,698	-	-	11,479,612	6,335,698
Solid Waste	-	-	-	-	18,577,579	16,834,097	18,577,579	16,834,097
Compliance Fees	7,220,748	5,546,630	-	-	-	-	7,220,748	5,546,630
Connection Fees	1,285,059	1,727,656	4,026,146	8,999,463	-	-	5,311,205	10,727,119
Grant Revenues	-	-	9,692,399	3,657,315	-	-	9,692,399	3,657,315
Other Revenue	2,742,342	2,773,879	3,972,429	2,082,186	307,102	194,098	7,021,873	5,050,163
Total Operating Revenues	86,670,096	82,416,777	95,887,196	86,378,556	18,884,681	17,028,195	201,441,973	185,823,528
Operating Expenses:								
Administrative and General	5,895,593	3,791,015	12,453,117	11,115,541	259,899	393,279	18,608,609	15,299,835
Cost of Providing Services	26,795,152	21,759,872	41,821,839	43,874,673	15,927,157	14,890,363	84,544,148	80,524,908
Amortization Expense	8,493,157	29,310,303	-	-	-	-	8,493,157	29,310,303
Depreciation Expense	15,910,729	12,853,795	26,355,122	20,532,742	-	-	42,265,851	33,386,537
Total Operating Expenses	57,094,631	67,714,985	80,630,078	75,522,956	16,187,056	15,283,642	153,911,765	158,521,583
Income from Operations	29,575,465	14,701,792	15,257,118	10,855,600	2,697,625	1,744,553	47,530,208	27,301,945
Non-Operating Revenues (Expenses):								
Interest on Investments	2,381,607	1,031,641	2,133,531	1,953,701	-	-	4,515,138	2,985,342
Interest on Delinquent Payments	907,196	1,299,128	436,435	653,936	143,012	325,000	1,486,643	2,278,064
Bad Debt Expense	-	(2,773,015)	-	-	-	-	-	(2,773,015)
Operations and Maintenance Reserve	(2,677,235)	(1,120,321)	-	-	-	-	(2,677,235)	(1,120,321)
Renewal and Replacement Reserve	(2,901,773)	(3,117,448)	(1,397,954)	(2,849,633)	-	-	(4,299,727)	(5,967,081)
Interest Expense on Bonds and Notes	(6,647,354)	(3,373,175)	(5,995,095)	(3,961,357)	-	-	(12,642,449)	(7,334,532)
Interest Expense on Franchise Agreement	(17,647,691)	(3,565,418)	-	-	-	-	(17,647,691)	(3,565,418)
Unrestricted Net Position Appropriations	(2,750,000)	(2,750,000)	-	-	-	-	(2,750,000)	(2,750,000)
Total Non-Operating Revenues (Expenses)	(29,335,250)	(14,368,608)	(4,823,083)	(4,203,353)	143,012	325,000	(34,015,321)	(18,246,961)
Change in Net Position	240,215	333,184	10,434,035	6,652,247	2,840,637	2,069,553	13,514,887	9,054,984
Net Position, January 1	58,506,110	58,172,926	139,925,821	133,273,574	6,396,385	4,326,832	204,828,316	195,773,332
Net Position, December 31	\$ 58,746,325	\$ 58,506,110	\$ 150,359,856	\$ 139,925,821	\$ 9,237,022	\$ 6,396,385	\$ 218,343,203	\$ 204,828,316

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City)
STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

	Water Fund		Sewer Fund		Solid Waste Fund		Totals	
	2024	Restated 2023	2024	2023	2024	2023	2024	Restated 2023
Cash Flows from Operating Activities:								
Cash Received from Customers	\$ 75,682,449	\$ 81,562,995	\$ 78,481,907	\$ 85,251,424	\$ 19,109,035	\$ 18,829,296	\$ 173,273,391	\$ 185,643,715
Other Receipts	2,742,342	2,773,879	13,664,828	5,739,501	307,102	194,098	16,714,272	8,707,478
Cash Paid to Vendors and Employees	(25,609,641)	(24,689,586)	(61,302,601)	(51,520,869)	(16,229,774)	(15,160,428)	(103,142,016)	(91,370,883)
Net Cash Provided by Operating Activities	52,815,150	59,647,288	30,844,134	39,470,056	3,186,363	3,862,966	86,845,647	102,980,310
Cash Flows from Investing Activities:								
Interest Earned on Delinquent Accounts	907,197	1,299,129	436,435	653,936	143,012	325,000	1,486,644	2,278,065
Interest Earned on Investments	2,290,941	1,122,306	2,133,531	1,953,701	-	-	4,424,472	3,076,007
Cost of Capital Assets	(55,716,837)	(45,392,643)	(51,486,914)	(77,121,073)	-	-	(107,203,751)	(122,513,716)
Net Cash (Used) Provided by Investing Activities	(52,518,699)	(42,971,208)	(48,916,948)	(74,513,436)	143,012	325,000	(101,292,635)	(117,159,644)
Cash Flows from Financing Activities:								
Proceeds Received on Bonds and Notes	150,992,586	63,120,023	89,802,990	110,758,084	-	-	240,795,576	173,878,107
Bonds and Notes Principal Paid	(57,819,196)	(57,122,596)	(87,251,604)	(86,104,518)	-	-	(145,070,800)	(143,227,114)
Interest Paid on Bonds and Notes	(5,987,386)	(3,760,962)	(4,807,823)	(3,434,915)	-	-	(10,795,209)	(7,195,877)
Operations and Maintenance Reserve Paid	(2,677,235)	(1,120,321)	-	-	-	-	(2,677,235)	(1,120,321)
Renewal and Replacement Reserve Paid	(2,901,773)	(3,117,448)	(1,397,954)	(2,849,633)	-	-	(4,299,727)	(5,967,081)
Franchise Agreement Liability Paid	(35,434,464)	(18,434,582)	-	-	-	-	(35,434,464)	(18,434,582)
Interest Paid on Franchise Agreement	(17,647,691)	(3,565,418)	-	-	-	-	(17,647,691)	(3,565,418)
Interfund Transfers	(6,350,144)	6,267,811	8,055,042	(9,998,173)	(1,704,898)	3,730,362	-	-
Net Cash Provided (Used) by Financing Activities	22,174,697	(17,733,493)	4,400,651	8,370,845	(1,704,898)	3,730,362	24,870,450	(5,632,286)
Net Increase (Decrease) in Cash and Cash Equivalents	22,471,148	(1,057,413)	(13,672,163)	(26,672,535)	1,624,477	7,918,328	10,423,462	(19,811,620)
Cash and Cash Equivalents, January 1	31,972,573	33,029,986	43,800,678	70,473,213	8,341,466	423,138	84,114,717	103,926,337
Cash and Cash Equivalents, December 31	\$ 54,443,721	\$ 31,972,573	\$ 30,128,515	\$ 43,800,678	\$ 9,965,943	\$ 8,341,466	\$ 94,538,179	\$ 84,114,717
Cash and Cash Equivalents as presented in the Statement of Net Position:								
Unrestricted	\$ 11,879,652	\$ 20,953,427	\$ 27,201,893	\$ 14,442,209	\$ 9,965,943	\$ 8,341,466	\$ 49,047,488	\$ 43,737,102
Restricted:								
Construction Account	38,676,447	3,824,242	2,926,622	29,358,469	-	-	41,603,069	33,182,711
Bond Service Fund	527,286	3,992,045	-	-	-	-	527,286	3,992,045
Bond Reserve Account	3,360,336	3,202,859	-	-	-	-	3,360,336	3,202,859
Total Restricted	42,564,069	11,019,146	2,926,622	29,358,469	-	-	45,490,691	40,377,615
Total Cash and Cash Equivalents	\$ 54,443,721	\$ 31,972,573	\$ 30,128,515	\$ 43,800,678	\$ 9,965,943	\$ 8,341,466	\$ 94,538,179	\$ 84,114,717

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City)
STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

	Water Fund		Sewer Fund		Solid Waste Fund		Totals	
	2024	Restated 2023	2024	2023	2024	2023	2024	Restated 2023
Reconciliation of Operating Income to Net Cash								
Provided by Operating Activities								
Operating Income	\$ 29,575,465	\$ 14,701,792	\$ 15,257,118	\$ 10,855,600	\$ 2,697,625	\$ 1,744,553	\$ 47,530,208	\$ 27,301,945
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:								
Amortization Expense	8,493,157	29,310,303	-	-	-	-	8,493,157	29,310,303
Depreciation Expense	15,910,729	12,853,795	26,355,122	20,532,742	-	-	42,265,851	33,386,537
Bad Debt Expense	-	(2,773,015)	-	-	-	-	-	(2,773,015)
Unrestricted Net Position Appropriations	(2,750,000)	(2,750,000)	-	-	-	-	(2,750,000)	(2,750,000)
(Increase) Decrease in Assets:								
Accounts Receivable	(8,245,305)	4,693,112	(3,740,461)	4,612,369	674,468	2,320,199	(11,311,298)	11,625,680
Prepaid Expenses	3,364,408	2,739,650	(62,311)	(534,837)	-	-	3,302,097	2,204,813
Increase (Decrease) in Liabilities:								
Accounts Payable and Accrued Liabilities	5,570,160	2,448,767	(6,631,531)	1,915,472	(143,012)	(325,000)	(1,204,383)	4,039,239
Compensated Absences Liability	(10,630)	30,501	(47,709)	120,022	-	-	(58,339)	150,523
Net Pension Liability, Deferred Outflows and Inflows	(207,119)	(436,630)	(1,459,283)	98,920	-	-	(1,666,402)	(337,710)
Net OPEB Liability, Deferred Outflows and Inflows	(255,003)	(1,756,090)	741,644	1,780,300	-	-	486,641	24,210
Customer Deposits	1,369,288	585,103	431,545	89,468	(42,718)	123,214	1,758,115	797,785
Total Adjustments	23,239,685	44,945,496	15,587,016	28,614,456	488,738	2,118,413	39,315,439	75,678,365
Net Cash Provided by Operating Activities	<u>\$ 52,815,150</u>	<u>\$ 59,647,288</u>	<u>\$ 30,844,134</u>	<u>\$ 39,470,056</u>	<u>\$ 3,186,363</u>	<u>\$ 3,862,966</u>	<u>\$ 86,845,647</u>	<u>\$ 102,980,310</u>

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1. GENERAL

The Jersey City Sewerage Authority was created by virtue of an ordinance adopted December 20, 1949 by the City Council of the City of Jersey City (the “City”). On December 10, 1997, the City adopted an ordinance that reorganized the Jersey City Sewerage Authority as the Jersey City Municipal Utilities Authority (the “Authority”). The reorganization became effective January 1, 1998.

The Authority is a public body, corporate and politic, organized under the laws of the State of New Jersey. The Authority’s governing body consists of five members and two alternates appointed to five-year terms by the Mayor of the City, with the advice and consent of the City Council. As a public body, under existing Statute, the Authority is exempt from both federal and state taxes.

The Authority is a component unit of the City under Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB 39 and 61.

The Authority is responsible for the treatment and disposal of sewage and other wastes originating within the City, to operate, maintain and manage the water system, and to provide solid waste and recyclable material collection services within the City.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies:

A. Basis of Presentation

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to enterprise funds of state and local governmental units. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and or net income is appropriate for capital maintenance, public policy, accountability or other purposes. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Basis of Accounting

The Authority prepares its financial statements on the accrual basis of accounting in accordance with GAAP. Under the accrual basis of accounting, revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

C. Grants

Contributions received from Federal, State and Local awarding agencies are recorded in the period in which the revenue is earned.

Grants receivable, if any, represent the total grant earned less amounts collected to date. Grants not externally restricted and utilized to finance operations are identified as non-operating revenue. Grants externally restricted for non-operating purposes are recorded as contributed capital and identified as grants-in-aid.

D. Inventories of Materials and Supplies

The cost of inventories, primarily chemicals for the treatment of sewerage and sludge, are recorded as expenditures at the time individual items are purchased, since they are not material to the results of operations and financial position.

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets

Water Fund

Right-to-use assets are stated at the amount of the initial measurement of the liability for installment payments to be made under Public-Public Partnership agreements (PPP), payments made to the transferor at or before the commencement of the PPP, and the cost of improvements to the underlying PPP assets. The initial measurement of the liability for installment payments is discounted at the Authority’s incremental borrowing rate.

Right-to-use assets are amortized over the shorter of the PPP term or the useful life of the underlying PPP assets.

Sewer Fund

Property, plant and equipment are stated at historical or estimated historical cost if actual historical cost is not available. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. In accordance with the GASB Statement No. 34, the Authority has recorded infrastructure assets, consisting mostly of sewer lines and improvements to sewer lines, as of January 1, 2002.

Property, plant and equipment, not including infrastructure assets, have an original cost of \$10,000 or more and over 5 years of useful life. Infrastructure assets capitalized have an original cost of \$50,000 or more. Depreciation is calculated on a straight-line basis for each of the Fixed Asset categories:

Structures and improvements	50 years
Major structural equipment	20 years
Land and building improvements	10 years
Heavy duty trucks	10 years
Furniture and equipment	5 years

F. Restricted Accounts

Certain provisions of the “1998 General Bond Resolution” are summarized below.

The Sewer Operating Fund and the Water Operating Account in the Water Operating Fund are held by the Authority. All other funds and accounts are held by the Trustee.

All sewer revenue and water revenue are collected and deposited daily in the name of the Trustee into the Sewer Revenue Fund and the Water Revenue Fund.

As of the first day of each month, the Trustee makes payments out of the Sewer Revenue Fund into the following funds and accounts as follows:

First: Into the Sewer Operating Fund, the amount of Sewer Operating expenses needed for the month as shown in the Annual Budget then in effect. In the case of expenses that are payable annually or in intervals less frequently than monthly, the monthly allocated portion of such expenses is deposited in such Operating Fund so that on the date such payment is due, there is sufficient money on deposit in the Operating Fund to make such payment;

Second: Into the Sewer Bond Service Fund, to the extent, if any, needed to increase the amount in the Sewer Bond Service Fund so that it equals the Sewer Bond Service Requirement, and on a pro rata basis, into the Sewer Bond Sinking Fund, to the extent, if any, needed to increase the amount then or theretofore paid during such Fiscal Year into the Sewer Bond Sinking Fund so that it equals the Sewer Bond Sinking Fund Requirement;

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Restricted Accounts (Continued)

Third: Into the Sewer Bond Reserve Fund, to the extent, if any, needed to increase the amount in the Sewer Bond Reserve Fund so that it equals the Sewer Bond Reserve Requirement;

Fourth: Into the Sewer Renewal and Replacement Fund, to the extent, if any, needed to increase the amount in the Sewer Renewal and Replacement Fund so that it equals the Sewer Renewal and Replacement Requirement;

Fifth: Into the Sewer General Fund, any remaining balance.

As of the first day of each month, the Trustee makes payments out of the Water Revenue Fund into the following funds and accounts as follows:

First: Into the Water Operating Account in the Water Operating Fund, the amount of Water Operating expenses needed for the month as shown in the Annual Budget then in effect;

Second: Into the First Lien Water Bond Account in the Water Operating Fund, the amount, if any needed to increase the First Lien Water Bond Account so that it equals the First Lien Water Bond Requirement. The First Lien Water Bond Requirement, as of any date of calculation, is an amount equal to the debt service payable with respect to the First Lien City Water Obligations;

Third: Into the Water Bond Service Fund, to the extent, if any, needed to increase the amount in the Water Bond Service Fund so that it equals the Water Bond Service Requirement, and on a pro rata basis, into the Water Bond Sinking Fund, to the extent, if any, needed to increase the amount then or theretofore paid during such Fiscal Year into the Water Bond Sinking Fund so that it equals the Water Bond Sinking Fund Requirement;

Fourth Into the Water Bond Reserve Fund, to the extent, if any, needed to increase the amount in the Water Bond Reserve Fund so that it equals the Water Bond Reserve Requirement;

Fifth: Into the City Franchise Fee Payment Fund, to the extent, if any, needed to increase the amount in the City Franchise Fee Payment Fund so that it equals the City Franchise Fee Payment Requirement;

Sixth: Into the Water Renewal and Replacement Fund, to the extent, if any, needed to increase the amount in the Water Renewal and Replacement Fund so that it equals the Water Renewal and Replacement Requirement which is an amount determined and certified by the Authority's Consulting Engineer. The Water Renewal and Replacement Requirement was initially established at \$0.00.

Seventh: Into the Water General Fund, any remaining balance.

Moneys received from the provisions of the Resolution or applicable Supplemental Sewer Resolution may be paid into the Sewer Construction Fund. At the option of the Authority, any moneys received by the Authority from any other source, unless required to be otherwise applied as provided by the Resolutions may be paid into the Sewer Construction Fund. Amounts in the Sewer Construction Fund are applied to the costs of the project and costs of issuance.

G. Deferred Outflows and Deferred Inflows of Resources

The Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Deferred Outflows and Deferred Inflows of Resources (Continued)

Transactions are classified as deferred outflows of resources and deferred inflow of resources only when specifically prescribed by GASB standards. The Authority is required to report the following deferred outflows of resources and deferred inflows of resources:

Defined Benefit Pension Plans - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the Authority's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contribution and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

Other Post-Employment Benefits - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, differences between the Authority's contribution and its proportionate share of contributions.

Deferred Loss on Refunding of Bonds - Deferred loss on refunding arising from the issuance of revenue refunding bonds, is recorded as a deferred outflow of resources. The deferred loss is amortized in a systematic and rational method as a component of interest expense.

H. Compensated Absences

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

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

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

I. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond discounts/bond premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in a systematic and rational method, from the issue date to maturity as a component of interest expense. Bonds payable are reported net of the applicable bond premium or discount.

J. Operating Fund Budget

The budget amounts included in the schedule of operating revenues and costs funded by operating revenue were adopted in accordance with the regulations of the State of New Jersey Division of Local Government Services.

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Authority uses estimates in determining the allowance for uncollectible receivables and the useful life of depreciable assets. Actual results could differ from those estimates.

L. Water and Sewer User Fees and Solid Waste Collection Fees

Veolia, through an agreement with the Authority, bills customers for water, sewerage, and solid waste and recyclable material collection, and is responsible for the collection of water, sewerage, and solid waste and recyclable material collection billings. All cash collected by Veolia for water, sewerage and solid waste and recyclable material collection is remitted to the Authority daily. Water and sewer user fee revenue and solid waste and recyclable material collection fee revenue is recorded when billed and an allowance for uncollectible accounts has been established for that part of the receivable recorded at year end that the Authority estimates would ultimately prove to be uncollectible.

M. Net Position

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

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

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

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

N. Recently Adopted Accounting Standards

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

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement was issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Authority adopted the requirements of the guidance effective January 1, 2024.

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

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Recently Issued Accounting Standards to be implemented in future years

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

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

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

P. Prior Period Restatement

The 2023 financial statements have been restated to retroactively implement GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to recognize the Authority's water service franchise and service agreement with the City of Jersey City as a public-public partnership (PPP). As a result, on January 1, 2023, the Authority recognized a right-to-use asset of \$103,838,100 and related franchise fee liability for same amount. During 2023, the franchise fee expense of \$22,000,000 was eliminated, interest expense increased \$3,565,418, and amortization expense increased \$24,921,144 on the statement of revenues and expenses, resulting in a net decrease in net position of \$6,486,562. On the statement of net position, accumulated amortization of right-to-use asset increased \$24,921,144 and the related franchise fee liability decreased \$18,434,582. Furthermore, leasehold interest for franchise fee of \$169,235,303 and accumulated amortization of \$150,459,170 were reclassified as right-to-use asset and related accumulated amortization, respectively, on the statement of net position.

Q. Reclassifications

The Authority reclassified restricted construction fund net position of \$33,182,711 (comprised of \$3,824,242 for the water fund and \$29,358,469 for the sewer fund) and unrestricted undesignated net position of \$22,309,887 (comprised of \$10,949,407 for the water fund and \$11,360,480 for the sewer fund) to component of net position of net investment in capital assets at December 31, 2023 to conform with the presentation for the year ended December 31, 2024, where the portion of debt attributable to unspent bond proceeds amounts held in restricted construction account and due from New Jersey Infrastructure Bank are not included in calculation of invested in capital assets, net of related debt.

The Authority reclassified amortization expense of \$12,853,795 in the water fund as depreciation expense for year ended December 31, 2023 to conform with the presentation of depreciation of leasehold improvements in for the year ended December 31, 2024.

The Authority reclassified accrued liability of \$357,321 (comprised of \$120,403 for the water fund and \$236,918 for the sewer fund) to compensated absences liability at December 31, 2023 to conform with the presentation of compensated absences liability for the year ended December 31, 2024.

NOTE 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include petty cash, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"). Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. Public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a 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.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 3. CASH AND CASH EQUIVALENTS (Continued)

In addition, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%. All collateral must be deposited with the Federal Reserve Bank of New York, The Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

As of December 31, 2024, and 2023, the Authority’s cash and cash equivalents are summarized as follows:

	<u>2024</u>	<u>2023</u>
Unrestricted	\$ 49,047,488	\$ 43,737,102
Restricted	<u>45,490,691</u>	<u>40,377,615</u>
Total	<u>\$ 94,538,179</u>	<u>\$ 84,114,717</u>

At December 31, 2024 and 2023, the carrying amount of the Authority’s cash and cash equivalents were \$94,538,178 and \$84,114,717, and the corresponding bank balances were \$109,876,022 and \$87,950,220, respectively. The respective bank balances were insured by federal depository insurance and the collateral pool maintained by the banks as required by New Jersey Statutes.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposit may not be returned to it. The Authority’s policy is based on New Jersey statutes requiring cash be deposited only in New Jersey banking institutions that participate in GUDPA or in a qualified investment established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2024 and 2023, none of the Authority’s bank balances were exposed to custodial credit risk.

NOTE 4. AMOUNTS REQUIRED BY BOND RESOLUTION

The following cash and investment accounts are required by the Authority’s bond resolutions:

Construction Fund

The Authority’s 1998 General Bond Resolution requires the establishment of a construction fund for the purpose of holding funds to be applied to the costs of projects and costs of issuance. Balances of the Construction Fund at December 31, 2024 and 2023 were as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
Cash and Cash Equivalents	<u>\$ 38,676,447</u>	<u>\$ 2,926,622</u>	<u>\$ 3,824,242</u>	<u>\$ 29,358,469</u>

Current Debt Service

The Authority’s 1998 General Bond Resolution requires that moneys in the Revenue Fund be transferred into interest and principal accounts in an amount equal to the unpaid interest and principal on the next debt service payment, pro-rated accordingly. Balances of the interest and principal accounts at December 31, 2024 and 2023 were as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
Cash and Cash Equivalents	<u>\$ 527,286</u>	<u>\$ -</u>	<u>\$ 3,992,045</u>	<u>\$ -</u>

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 4. AMOUNTS REQUIRED BY BOND RESOLUTION (Continued)

Debt Service Reserve

The 1998 General Bond Resolution requires that the Authority maintain on deposit an amount equal to the largest one-year annual debt service. The sewer debt service reserve requirement was fulfilled by an insurance policy. Balances for the water debt service reserve requirement at December 31, 2024 and 2023 were as follows:

	2024		2023	
	Water Fund	Sewer Fund	Water Fund	Sewer Fund
Cash & Cash Equivalents	\$ 8,169,336	\$ -	\$ 7,921,193	\$ -

Renewal and Replacement Fund

The 1998 General Bond Resolution requires that the Authority also deposit into a Renewal and Replacement account an amount equal to the Renewal and Replacement requirement, as determined and certified by the Authority’s consulting engineer. At December 31, 2024 and 2023, the Authority’s consulting engineer did not determine or certify a Renewal and Replacement requirement for the water or sewer funds.

Additional Covenants

Under the terms of the 1998 General Bond Resolution, the Authority has covenanted to make, impose, charge and collect service charges so that Water Revenues for each fiscal year will be at least sufficient (1) to pay Water Operating Expenses in the fiscal year, (2) to pay all interest on and principal of all Water Bonds, the First Lien Water Bonds and any City Water Bonds as the same shall become due and payable without recourse to or withdrawal from the Water Bond Reserve Fund, (3) to pay all other amounts due under the Water System Service Contract and (4) to pay all other amounts that are required to be paid pursuant to the 1998 General Bond Resolution.

For purposes of this covenant, Water Revenues shall be deemed to include any funds, other than funds which have been borrowed by the Authority, which the Authority deposits in the Water Revenue Fund, regardless of the source thereof (including moneys transferred from the Sewer General Fund).

In addition, the Authority has covenanted, among other things, to set Sewer Service Charges sufficient to provide funds in concert with Water Service Charges for the payments required under the Water System Service Contract. The Authority covenants and agrees that the Sewer Service Charges on an annual basis shall be sufficient to provide funds from the Sewer General Fund for the City Franchise Fee Payment Requirement not otherwise provided by Water Service Charges. Such moneys shall be considered as Water Revenues and shall be deposited in the Water Revenue Fund for such purpose pursuant to the Resolution.

NOTE 5. INVESTMENTS

During the years ended December 31, 2024 and 2023 the Authority invested in a non-callable 365 days zero coupon Federal Home Loan bank note with a fair value of \$4,809,000 and \$4,718,334 at December 31, 2024 and 2023, respectively.

The Authority categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the investments.

- Level 1 – Inputs are quoted prices in active markets for identical assets
- Level 2 – Inputs are significant other observable inputs
- Level 3 – Inputs are significant unobservable inputs

All the Authority’s investment’s recurring fair value measurements were level 2 of the fair value hierarchy.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 6. PREPAID EXPENSE

Prepaid expense of \$5,500,000 and \$8,864,408 at December 31, 2024 and 2023, respectively, consists of monies paid to the City and City bond principal and interest paid in advance.

On July 23, 2020, the Authority's Board of Commissioners authorized a \$11,000,000 payment to the City, which at the time, was intended to be an advance franchise payment. In 2023, after discussion with the City, it was determined the aforementioned \$11,000,000 payment was not an advance franchise payment, but rather a transfer of unrestricted net position. In accordance with authority budget regulations established by the State of New Jersey, the \$11,000,000 payment will be charged to the Authority's water budget each year in an amount not to exceed 5% of its total operating appropriations. During the years ended December 31, 2024 and 2023, \$2,750,000, respectively, was charged to the water budget.

Prepaid expense of \$0 and \$614,408 at December 31, 2024 and 2023, respectively, represents monies paid to the City in advance for City issued water debt. The prepaid balance of \$614,408 as of December 31, 2023 was deducted from a 2024 City debt service payment.

NOTE 7. WATER SERVICES FRANCHISE AND SERVICE AGREEMENT

Prior to the reorganization of the Authority on January 1, 1998, the City operated its water system as a utility within the City's budget. On February 1, 1998, the Authority and the City entered into a Water Services Franchise and Service Agreement (the "Original Franchise Agreement"). Pursuant to the Original Franchise Agreement, the Authority assumed the operation, maintenance and management of the City's water system. On May 1, 2003 and September 30, 2005, the Original Franchise Agreement was amended and restated (taken together, the "2005 Amended Franchise Agreement") to provide, among other things, to extend the Original Franchise Agreement with the City until March 31, 2028 and to change the yearly payments due to the City, generally making the near term payments lower and increasing future year payments. On February 1, 2024 the 2005 Amended Franchise Agreement was amended and restated (taken together, the "2024 Amended Franchise Agreement"), extending the Franchise Period until December 28, 2063.

Under the terms of the 2024 Amended Franchise Agreement, the City conveyed to the Authority, for the term of the agreement, the right to operate the City's water system. As consideration for the right to operate the City's water system and to receive the revenues associated therewith, the Authority agreed to assume the responsibility for the payment of debt service on the outstanding bonds of the City issued to finance the Water system, to pay an Annual Franchise Fee of \$23,000,000 on each anniversary date of the 2024 Amended Franchise Agreement, and to pay the City additional fees of \$30,000,000 in 2024, \$10,000,000 in 2025 and \$10,000,000 in 2026. In addition, the Authority has agreed to provide water and sewer services to the City free of charge for all governmental public facilities of the City.

In accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, adopted by the Authority on January 1, 2023, the Franchise Agreement has been recognized as Public-Public Partnership agreement.

NOTE 8. RIGHT-TO-USE ASSET – WATER FUND

The Authority's Water Services Franchise and Service Agreement with the City is a Public-Public Partnership agreement (PPP). As such, the underlying assets of the agreement are considered right-to-use assets. Right-to use assets are stated at the amount of the initial measurement of the liability for installment payments to be made under the PPP, payments made to the transferor at or before the commencement of the PPP, and the cost of improvements to the underlying PPP assets.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8. RIGHT-TO-USE ASSET – WATER FUND (Continued)

At implementation of GASB Statement No. 94 on January 1, 2023, the leasehold interest for franchise fee of \$169,235,303 and accumulated amortization of \$145,765,136 were reclassified as right-to-use assets and related accumulated amortization, respectively, on the statement of net position. The initial measurement of the remaining 2005 Amended Franchise Agreement liability for installment payments for the right-to-use asset on January 1, 2023 was valued utilizing a 4.55% discount rate. The right-to-use asset was amortized on a straight-line basis over the remaining 50-month term of the 2005 Amended Franchise Agreement. On February 1, 2024 the 2005 Amended Franchise Agreement was amended and restated (taken together, the “2024 Amended Franchise Agreement”), extending the Franchise Period until December 28, 2063 and the remaining liability for installment payments and right-to-use asset were amended and restated with a measurement of the liability for installment payments for the right-to-use asset valued utilizing a 5.15% discount rate. The right-to-use asset is being amortized on a straight-line basis over the shorter of the 39-year term of the 2024 Amended Franchise Agreement or the useful life of the underlying PPP assets.

The following is a summary of the Authority’s right-to-use assets within its Water Fund activity for the years ended December 31, 2024 and 2023:

	<u>Balance</u> <u>January 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2024</u>
Right of Use Assets:				
Right of Use Assets Leasehold Interests	\$ 273,073,403	\$ 345,062,284	\$ -	\$ 618,135,687
Less Accumulated Amortization	<u>(175,380,314)</u>	<u>9,698,531</u>	<u>-</u>	<u>(165,681,783)</u>
Total Right of Use Assets, Net	<u>\$ 97,693,089</u>	<u>\$ 354,760,815</u>	<u>\$ -</u>	<u>\$ 452,453,904</u>
	<u>Balance</u> <u>January 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2023</u>
Right of Use Assets:				
Right of Use Assets Leasehold Interests	\$ 169,235,303	\$ 103,838,100	\$ -	\$ 273,073,403
Less Accumulated Amortization	<u>(145,765,136)</u>	<u>(29,615,178)</u>	<u>-</u>	<u>(175,380,314)</u>
Total Right of Use Assets, Net	<u>\$ 23,470,167</u>	<u>\$ 74,222,922</u>	<u>\$ -</u>	<u>\$ 97,693,089</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9. CAPITAL ASSETS

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

	Balance January 1, 2024	Additions	Transfers	Balance December 31, 2024
Water Fund:				
Non-Depreciable:				
Work in Progress - Leasehold Improvements	\$ 57,159,915	\$ -	\$ (18,304,600)	\$ 38,855,315
Depreciable:				
Leasehold Improvements	184,811,277	55,716,837	18,304,600	258,832,714
Less: Accumulated Depreciation	(62,958,106)	(15,910,730)	-	(78,868,836)
Depreciable Capital Assets, Net	121,853,171	39,806,107	18,304,600	179,963,878
Total Capital Assets, Net - Water Fund	179,013,086	39,806,107	-	218,819,193
Sewer Fund:				
Non-Depreciable:				
Land	346,572	-	-	346,572
Work in Progress	167,240,057	-	(133,465,727)	33,774,330
Non-Depreciable Capital Assets	167,586,629	-	(133,465,727)	34,120,902
Depreciable:				
Infrastructure and Improvements	440,781,711	49,419,415	133,465,727	623,666,853
Equipment, Meters, and Vehicles	62,344,038	705,082	-	63,049,120
Total at Historical Cost	503,125,749	50,124,497	133,465,727	686,715,973
Less Accumulated Depreciation	(258,715,073)	(24,992,705)	-	(283,707,778)
Depreciable Capital Assets, Net	244,410,676	25,131,792	133,465,727	403,008,195
Total Capital Assets, Net - Sewer Fund	411,997,305	25,131,792	-	437,129,097
Total Capital Assets, Net	\$ 591,010,391	\$ 64,937,899	\$ -	\$ 655,948,290
Summary:				
Depreciable	\$ 224,746,544	\$ -	\$ (151,770,327)	\$ 72,976,217
Non-Depreciable	366,263,847	64,937,899	151,770,327	582,972,073
Total Capital Assets, Net	\$ 591,010,391	\$ 64,937,899	\$ -	\$ 655,948,290

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9. CAPITAL ASSETS (Continued)

The following is a summary of the Authority’s capital assets for the year ended December 31, 2023:

	Balance January 1, 2023	Additions	Transfers	Balance December, 31 2023
Water Fund:				
Non-Depreciable:				
Work in Progress - Leasehold Improvements	\$ 28,107,286	\$ 29,052,629	\$ -	\$ 57,159,915
Depreciable:				
Leasehold Improvements	168,166,392	16,644,885	-	184,811,277
Less Accumulated Depreciation	(50,104,311)	(12,853,795)	-	(62,958,106)
Depreciable Capital Assets, Net	118,062,081	3,791,090	-	121,853,171
Total Capital Assets, Net - Water Fund	146,169,367	32,843,719	-	179,013,086
Sewer Fund:				
Non-Depreciable:				
Land	346,572	-	-	346,572
Work in Progress	125,834,609	41,405,448	-	167,240,057
Non-Depreciable Capital Assets	126,181,181	41,405,448	-	167,586,629
Depreciable:				
Infrastructure and Improvements	407,391,425	33,390,286	-	440,781,711
Equipment, Meters, and Vehicles	60,018,699	2,325,339	-	62,344,038
Total at Historical Cost	467,410,124	35,715,625	-	503,125,749
Less Accumulated Depreciation	(238,182,331)	(20,532,742)	-	(258,715,073)
Depreciable Capital Assets, Net	229,227,793	15,182,883	-	244,410,676
Total Capital Assets, Net - Sewer Fund	355,408,974	56,588,331	-	411,997,305
Total Capital Assets, Net	\$ 501,578,341	\$ 89,432,050	\$ -	\$ 591,010,391
Summary:				
Depreciable	\$ 154,288,467	\$ 70,458,077	\$ -	\$ 224,746,544
Non-Depreciable	347,289,874	18,973,973	-	366,263,847
Total Capital Assets, Net	\$ 501,578,341	\$ 89,432,050	\$ -	\$ 591,010,391

NOTE 10. SOLID WASTE AND RECYCLABLE MATERIAL COLLECTIONS

On August 12, 2020, the City awarded a contract in the amount of \$77,500,000 (the “Contract”) to Regional Industries LLC to provide solid waste and recyclable material night collection services. Under the terms of the Contract, Regional Industries LLC is to provide complete solid waste and recyclable material collection services for all eligible properties within the City for a period of 5 years commencing on September 1, 2020 and ending on August 31, 2025. The Contract authorizes the City to assign the contract to a successor entity. On January 1, 2021, the City assigned the Contract to the Authority and the Authority assumed all of the City’s rights, title, obligations and interest in the Contract.

The Authority charges solid waste and recyclable material collection user fees to its customers based on a flat amount per equivalent dwelling unit. For the years ended December 31, 2024 and 2023, the fee was \$12.50 per equivalent dwelling unit.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 11. NEW JERSEY INFRASTRUCTURE BANK

The Authority acquired loans through the New Jersey Infrastructure Bank (NJIB) to finance improvements to its facilities. The proceeds of the loans are held by NJIB until the Authority expends funds for the projects. The Authority then submits for reimbursement of these expenditures from the NJIB.

The following is an analysis of funds to be received from the NJIB as of December 31, 2024:

	Balance January 1, 2024	Additions/ Deobligations	Payments Received	Balance December 31, 2024
Water Fund:				
Project 0906001-024	\$ -	\$ 5,609,860	\$ 1,938,707	\$ 3,671,153
Project 0906001-025	532,755	682,612	1,215,367	-
Project 0906001-035	10,100,748	9,759,314	5,760,492	14,099,570
Project 0906001-021	315,904	-	315,904	-
	<u>10,949,407</u>	<u>16,051,786</u>	<u>9,230,470</u>	<u>17,770,723</u>
Sewer Fund:				
Project S340928-19	-	-	-	-
Project S340928-37	-	13,027,088	1,300,228	11,726,860
Project S340928-21	893,515	-	893,515	-
Project S340928-24	9,958,214	-	9,958,214	-
Project S340928-40	508,751	-	508,751	-
Total Sewer Fund	<u>11,360,480</u>	<u>13,027,088</u>	<u>12,660,708</u>	<u>11,726,860</u>
Total	<u>\$ 22,309,887</u>	<u>\$ 29,078,874</u>	<u>\$ 21,891,178</u>	<u>\$ 29,497,583</u>
Summary:				
Fund Portion	\$ 13,867,876	\$ 21,052,981	\$ 14,308,635	\$ 20,612,221
Trust Portion	8,442,011	8,025,893	7,582,543	8,885,362
Total	<u>\$ 22,309,887</u>	<u>\$ 29,078,874</u>	<u>\$ 21,891,178</u>	<u>\$ 29,497,583</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 11. NEW JERSEY INFRASTRUCTURE BANK (Continued)

The following is an analysis of funds to be received from the NJIB as of December 31, 2023:

	Balance January 1, 2023	Additions/ Deobligations	Payments Received	Balance December 31, 2023
Water Fund:				
Project 0906001-015	\$ 1,816,117	\$ -	\$ 1,816,117	\$ -
Project 0906001-019	1,447,784	-	1,447,784	-
Project 0906001-017	453,915	-	453,915	-
Project 0906001-025	8,522,024	1,000,000	8,989,269	532,755
Project 0906001-035	-	11,094,575	993,827	10,100,748
Project 0906001-021	3,135,197	-	2,819,293	315,904
	<u>15,375,037</u>	<u>12,094,575</u>	<u>16,520,205</u>	<u>10,949,407</u>
Sewer Fund:				
Project S340928-19	11,561	-	11,561	-
Project S340928-15	3,216,835	-	3,216,835	-
Project S340928-21	1,547,781	-	654,266	893,515
Project S340928-24	29,001,626	6,000,000	25,043,412	9,958,214
Project S340928-40	3,160,244	-	2,651,493	508,751
Total Sewer Fund	<u>36,938,047</u>	<u>6,000,000</u>	<u>31,577,567</u>	<u>11,360,480</u>
Total	<u>\$ 52,313,084</u>	<u>\$ 18,094,575</u>	<u>\$ 48,097,772</u>	<u>\$ 22,309,887</u>
Summary:				
Fund Portion	\$ 36,675,206	\$ 10,547,287	\$ 33,354,618	\$ 13,867,875
Trust Portion	15,637,878	7,547,288	14,743,154	8,442,012
Total	<u>\$ 52,313,084</u>	<u>\$ 18,094,575</u>	<u>\$ 48,097,772</u>	<u>\$ 22,309,887</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT

The Authority's Water Fund had the following Authority issued bonds and loans outstanding as of December 31, 2024:

	Balance January 1, 2024	Repayments	Issued/ (Refunded)	Amortization	Balance December 31, 2024
Water Fund:					
Water Revenue Bonds, Series 2003	\$ 16,855,000	\$ 3,885,000	\$ -	\$ -	\$ 12,970,000
Water NJIB Bonds, Series 2007	2,495,537	679,950	-	-	1,815,587
Water NJIB Bonds, Series 2008	47,000	9,000	-	-	38,000
Water NJIB Bonds, Series 2010	3,450,480	561,581	-	-	2,888,899
Water NJIB Bonds Series 2013	6,658,404	733,592	-	-	5,924,812
Water NJIB Bonds, Series 2015A-1	486,143	119,035	-	-	367,108
Water NJIB Bonds, Series 2016A-1	3,539,319	295,808	-	-	3,243,511
Water NJIB Bonds, Series 2020-09	2,742,574	-	(2,742,574)	-	-
Water NJIB Bonds, Series 2020-25	24,752,475	-	(24,752,475)	-	-
Water NJIB Bonds, Series 2022A-1	9,450,527	256,626	-	-	9,193,901
Water NJIB Bonds, Series 2023A-1	21,409,524	198,551	-	-	21,210,973
Water NJIB Bonds, Series 2023	11,094,575	-	9,759,314	-	20,853,889
Water NJIB Bonds, Series 2024	-	-	5,609,860	-	5,609,860
Water NJIB Bonds, Series 2024-A	-	235,053	29,278,659	-	29,043,606
Water Revenue Bonds, Series 2024C	-	-	50,000,000	-	50,000,000
Water Franchise Revenue Bonds Series 2024D (Taxable)	-	-	35,000,000	-	35,000,000
Water Project Notes, Series 2024A	-	-	25,000,000	-	25,000,000
Water Project Notes, Series 2024E	-	-	25,000,000	-	25,000,000
Water Revenue Bonds, Series 2020	3,505,000	845,000	-	-	2,660,000
Water Project Notes, Series 2023	50,000,000	50,000,000	-	-	-
Total Water Fund	156,486,558	57,819,196	152,152,784	-	250,820,146
Add:					
Original Issue Premiums/(Discounts) on Bonds Payable	302,801	-	6,699,550	(110,299)	6,892,052
Bonds Payable, Net	<u>\$ 156,789,359</u>	<u>\$ 57,819,196</u>	<u>\$ 158,852,334</u>	<u>\$ (110,299)</u>	<u>\$ 257,712,198</u>
Current Portion	\$ 57,584,143				\$ 59,539,185
Long Term Portion	99,205,216				198,173,013
Total Water Fund	<u>\$ 156,789,359</u>				<u>\$ 257,712,198</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

The Authority's Water Fund had the following Authority issued bonds and loans outstanding as of December 31, 2023:

	Balance January 1, 2023	Repayments	Issued/ (Refunded)	Amortization	Balance December 31, 2023
Water Fund:					
Water Revenue Bonds, Series 2003	\$ 20,540,000	\$ 3,685,000	\$ -	\$ -	\$ 16,855,000
Water NJIB Bonds, Series 2007	3,162,491	666,954	-	-	2,495,537
Water NJIB Bonds, Series 2008	56,000	9,000	-	-	47,000
Water NJIB Bonds, Series 2010	4,002,061	551,581	-	-	3,450,480
Water NJIB Bonds Series 2013	7,376,996	718,592	-	-	6,658,404
Water NJIB Bonds, Series 2015A-1	605,178	119,035	-	-	486,143
Water NJIB Bonds, Series 2016A-1	3,830,127	290,808	-	-	3,539,319
Water NJIB Bonds, Series 2019A-1	8,314,557	-	(8,314,557)	-	-
Water NJIB Bonds, Series 2020-09	2,742,574	-	-	-	2,742,574
Water NJIB Bonds, Series 2020-17	1,444,460	-	(1,444,460)	-	-
Water NJIB Bonds, Series 2020-25	23,752,475	-	1,000,000	-	24,752,475
Water NJIB Bonds, Series 2021-20	5,532,651	-	(5,532,651)	-	-
Water NJIB Bonds, Series 2021-21	9,269,182	-	(9,269,182)	-	-
Water NJIB Bonds, Series 2022A-1	9,702,153	251,626	-	-	9,450,527
Water NJIB Bonds, Series 2023A-1	-	-	21,409,524	-	21,409,524
Water NJIB Bonds, Series 2023	-	-	11,094,575	-	11,094,575
Water Revenue Bonds, Series 2020	4,335,000	830,000	-	-	3,505,000
Water Project Notes, Series 2020	50,000,000	50,000,000	50,000,000	-	50,000,000
Total Water Fund	154,665,905	57,122,596	58,943,249	-	156,486,558
Add:					
Original Issue Premiums/(Discounts) on Bonds Payable	342,599	-	-	(39,798)	302,801
Bonds Payable, Net	<u>\$ 155,008,504</u>	<u>\$ 57,122,596</u>	<u>\$ 58,943,249</u>	<u>\$ (39,798)</u>	<u>\$ 156,789,359</u>
Current Portion	\$ 57,122,596				\$ 57,584,143
Long Term Portion	97,885,908				99,205,216
Total Water Fund	<u>\$ 155,008,504</u>				<u>\$ 156,789,359</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

The Authority's Sewer Fund had the following bonds and loans outstanding as of December 31, 2024:

	Balance January 1, 2024	Repayments	Issued/ (Refunded)	Amortization	Balance December 31, 2024
Sewer Fund:					
Sewer NJIB Bonds, Series 2007	\$ 1,903,783	\$ 663,970	\$ -	\$ -	1,239,813
Sewer NJIB Bonds, Series 2010 ARRA	829,558	128,258	-	-	701,300
Sewer NJIB Bonds, Series 2010 Supp A	92,000	13,000	-	-	79,000
Sewer NJIB Bonds, Series 2010 Supp B	1,257,525	184,705	-	-	1,072,820
Sewer NJIB Bonds, Series 2012	267,553	91,920	-	-	175,633
Sewer NJIB Bonds, Series 2013	2,311,429	250,714	-	-	2,060,715
Sewer NJIB Bonds, Series 2014	4,029,841	379,323	-	-	3,650,518
Sewer NJIB Bonds, Series 2015A-1	2,783,409	239,855	-	-	2,543,554
Sewer NJIB Bonds, Series 2015A-2	7,840,372	617,947	-	-	7,222,425
Sewer NJIB Bonds, Series 2018 A-2	3,771,347	245,878	-	-	3,525,469
Sewer NJIB Bonds, Series 2020	106,930,693	-	(106,930,693)	-	-
Sewer NJIB Bonds, Series 2021 A-1 Project 15/20	28,956,372	1,031,347	-	-	27,925,025
Sewer NJIB Bonds, Series 2021 A-1 Project 28/31/34	9,818,302	327,159	-	-	9,491,143
Sewer NJIB Bonds, Series 2021 A-2 Project 33	7,220,803	204,850	-	-	7,015,953
Sewer NJIB Bonds, Series 2024	-	-	13,027,088	-	13,027,088
Sewer NJIB Bonds, Series 2024 Project W1/C-W1-24	-	861,173	99,564,423	-	98,703,250
Sewer NJIB Bonds, Series 2024 Project W1/C-W1-40	-	24,574	2,805,758	-	2,781,184
Sewer NJIB Bonds, Series 2022	3,160,244	-	(3,160,244)	-	-
Sewer NJIB Bonds, Series 2023 A-1 Projects 15R/21	12,969,996	181,931	-	-	12,788,065
Sewer Revenue Refunding Bonds, Series 2020	15,320,000	1,805,000	-	-	13,515,000
Sewer Project Notes, Series 2024A	-	-	80,000,000	-	80,000,000
Sewer Project Notes, Series 2023A	80,000,000	80,000,000	-	-	-
Total Bonds and Notes Payable Sewer Fund	289,463,227	87,251,604	85,306,332	-	287,517,955
Add:					
Original Issue Premiums/(Discounts) on Bonds Payable	1,312,683	-	5,363,331	(429,002)	6,247,012
Bonds Payable, Net	\$ 290,775,910	\$ 87,251,604	\$ 90,669,663	\$ (429,002)	\$ 293,764,967
Summary Bonds Net					
Current Portion	\$ 86,365,857				\$ 88,689,729
Long Term Portion	204,410,053				205,075,238
Total Sewer Fund	\$ 290,775,910				\$ 293,764,967

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

The Authority’s Sewer Fund had the following bonds and loans outstanding as of December 31, 2023:

	Balance January 1, 2023	Repayments	Issued/ (Refunded)	Amortization	Balance December 31, 2023
Sewer Fund:					
Sewer NJIB Bonds, Series 2007	\$ 2,557,173	\$ 653,390	\$ -	\$ -	\$ 1,903,783
Sewer NJIB Bonds, Series 2010 ARRA	957,816	128,258	-	-	829,558
Sewer NJIB Bonds, Series 2010 Supp A	105,000	13,000	-	-	92,000
Sewer NJIB Bonds, Series 2010 Supp B	1,438,230	180,705	-	-	1,257,525
Sewer NJIB Bonds, Series 2012	359,642	92,089	-	-	267,553
Sewer NJIB Bonds, Series 2013	2,557,143	245,714	-	-	2,311,429
Sewer NJIB Bonds, Series 2014	4,404,165	374,324	-	-	4,029,841
Sewer NJIB Bonds, Series 2015A-1	3,018,264	234,855	-	-	2,783,409
Sewer NJIB Bonds, Series 2015A-2	8,453,320	612,948	-	-	7,840,372
Sewer NJIB Bonds, Series 2018 A-2	4,012,225	240,878	-	-	3,771,347
Sewer NJIB Bonds, Series 2020	111,352,023	-	(4,421,330)	-	106,930,693
Sewer NJIB Bonds, Series 2021 A-1 Project 15/20	29,982,719	1,026,347	-	-	28,956,372
Sewer NJIB Bonds, Series 2021 A-1 Project 28/31/34	10,140,461	322,159	-	-	9,818,302
Sewer NJIB Bonds, Series 2021 A-2 Project 33	7,420,654	199,851	-	-	7,220,803
Sewer NJIB Bonds, Series 2018	3,216,835	-	(3,216,835)	-	-
Sewer NJIB Bonds, Series 2022	3,160,244	-	-	-	3,160,244
Sewer NJIB Bonds, Series 2023 A-1 Projects 15R/21	-	-	12,969,996	-	12,969,996
Sewer Revenue Refunding Bonds, Series 2020	17,100,000	1,780,000	-	-	15,320,000
Sewer Project Notes, Series 2022A	80,000,000	80,000,000	80,000,000	-	80,000,000
Total Bonds and Notes Payable Sewer Fund	290,235,914	86,104,518	85,331,831	-	289,463,227
Add:					
Original Issue Premiums/(Discounts) on Bonds Payable	1,392,708	-	-	(80,025)	1,312,683
Bonds Payable, Net	\$ 291,628,622	\$ 86,104,518	\$ 85,331,831	\$ (80,025)	\$ 290,775,910
Summary Bonds Net					
Current Portion	\$ 86,104,518				\$ 86,365,857
Long Term Portion	205,524,104				204,410,053
Total Sewer Fund	\$ 291,628,622				\$ 290,775,910

Presented below is a summary of debt service requirements to maturity for Authority issued bonds payable as of December 31, 2024:

Year Ending December 31,	Authority Issued Debt					
	Water			Sewer		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 9,539,185	\$ 5,498,312	\$ 15,037,497	\$ 8,689,731	\$ 5,020,444	\$ 13,710,175
2026	9,863,895	1,880,854	11,744,749	8,470,132	2,171,339	10,641,471
2027	9,923,657	1,667,069	11,590,726	8,435,908	926,482	9,362,390
2028	4,588,014	1,497,595	6,085,609	8,358,912	871,117	9,230,029
2029	4,702,008	1,434,707	6,136,715	8,563,216	833,211	9,396,427
Thereafter	162,203,387	20,312,313	182,515,700	165,000,056	9,944,560	174,944,616
	\$ 200,820,146	\$ 32,290,850	\$ 233,110,996	\$ 207,517,955	\$ 19,767,153	\$ 227,285,108

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Presented below is a summary of debt service requirements to maturity for Authority bonds payable held by the City of Jersey City as of December 31, 2024:

Year Ending December 31,	Debt Held by City of Jersey City		
	Water		
	Principal	Interest	Total
2025	\$ 345,000	\$ 80,664	\$ 425,664
2026	350,000	74,821	424,821
2027	350,000	73,260	423,260
2028	355,000	70,619	425,619
2029	395,000	65,689	460,689
Thereafter	1,720,000	141,705	1,861,705
	<u>\$ 3,515,000</u>	<u>\$ 506,758</u>	<u>\$ 4,021,758</u>

Water Revenue Bonds, Series 2003 A and B

On May 16, 2003, the Authority issued \$22,975,000 of Water Revenue Refunding Bonds, Series 2003 A and \$61,690,000 of Water Revenue Bonds Series 2003 B (Federally Taxable) bearing an interest at a rate of 5.42% to 5.47%. The Bonds were issued to provide funds for (a) the defeasance of the Authority's outstanding 1998 Water bonds maturing in the years 2004 through 2008; (b) the payment to the City to extend the Water Franchise Service Agreement through March 28, 2028; (c) capitalized interest on the 2003 bonds through May 15, 2005; (d) deposits to the Water Bond Reserve Fund to fund the Water Bond Reserve Fund Requirement and the Surplus Fund Requirement under the Sewer Bond Resolution; (e) for payment of certain costs and expenses associated with the issuance of the Bonds and with the negotiation of the extension to the Water Franchise and Service Agreement. The economic loss resulting from this transaction was \$1,844,503 which is being amortized over the life of the 2003 Refunding Bonds. This amount has been recorded as a deferred charge on refunding the net amount of which is shown as a deferred outflow of resources on the statements of net position. The maturities of the Water Refunding Bonds, Series 2003 A and B are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 4,095,000	\$ 1,340,526	\$ 5,435,526
2026	4,320,000	280,558	4,600,558
2027	4,555,000	125,360	4,680,360
	<u>\$ 12,970,000</u>	<u>\$ 1,746,444</u>	<u>\$ 14,716,444</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Water NJIB Bonds, Series 2007

The Authority's Water Division received a \$3,295,000 Trust Loan and a \$9,223,341 Fund Loan from NJIB during 2007. The Trust Loan bears interest at a rate of 3.4% to 5.0%, while the Fund Loan is a zero-interest loan. In 2017, \$257,000 of the remaining, unspent funds was deobligated and used to defease a portion of the Fund Loan. The maturities of the Water NJIB Bonds, Series 2007 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 203,000	\$ 31,776	\$ 486,136	\$ 720,912
2026	213,000	21,426	485,846	720,272
2027	222,999	11,772	204,606	439,377
	<u>\$ 638,999</u>	<u>\$ 64,974</u>	<u>\$ 1,176,588</u>	<u>\$ 1,880,561</u>

Water NJIB Bonds, Series 2008

The Authority's Water Division received a \$285,000 Trust Loan and a \$805,524 Fund Loan from NJIB during 2008. The Trust Loan bears interest at a rate of 5.0% to 5.5%, while the Fund Loan is a zero-interest loan. The maturities of the Water NJIB Bonds, Series 2008 are as follows:

Year Ending December 31,	Trust Portion		Total
	Principal	Interest	
2025	\$ 9,000	\$ 1,754	\$ 10,754
2026	9,000	1,304	10,304
2027	9,000	900	9,900
2028	11,000	499	11,499
	<u>\$ 38,000</u>	<u>\$ 4,457</u>	<u>\$ 42,457</u>

Water NJIB Bonds, Series 2010

The Authority's Water Division received a \$2,580,000 Trust Loan and a \$7,782,030 Fund Loan from NJIB during 2010. The Trust Loan bears interest at a rate of 4.0% to 5.0%, while the Fund Loan is a zero-interest loan. The maturities of the Water NJIB Bonds, Series 2010 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 156,000	\$ 33,640	\$ 409,581	\$ 599,221
2026	161,000	27,400	409,581	597,981
2027	167,000	20,960	409,581	597,541
2028	176,000	14,280	409,581	599,861
2029	181,000	7,240	409,575	597,815
	<u>\$ 841,000</u>	<u>\$ 103,520</u>	<u>\$ 2,047,899</u>	<u>\$ 2,992,419</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Water NJIB Bonds, Series 2013

The Authority's Water Division received a \$5,553,687 Trust Loan and a \$10,664,061 Fund Loan during 2014. The Trust Loan bears interest at a rate of 3.0% to 5.0%, while the Fund Loan is a zero-interest loan. \$2,000,000 in principal was forgiven on the Fund Loan. The maturities of the Water NJIB Bonds, Series 2013 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 305,000	\$ 80,250	\$ 448,592	\$ 833,842
2026	310,000	71,100	448,592	829,692
2027	320,000	61,800	448,592	830,392
2028	330,000	52,200	448,592	830,792
2029	335,000	42,300	448,592	825,892
Thereafter	1,075,000	65,250	1,006,852	2,147,102
	<u>\$ 2,675,000</u>	<u>\$ 372,900</u>	<u>\$ 3,249,812</u>	<u>\$ 6,297,712</u>

Water NJIB Bonds, Series 2015A-1

The Authority's Water Division received a \$320,000 Trust Loan and a \$1,068,423 Fund Loan during 2015. The Trust Loan bears interest at a rate of 4.0% to 5.0%, while the Fund Loan is a zero-interest loan. The maturities of the Water NJIB Bonds, Series 2015A-1 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 30,000	\$ 4,650	\$ 89,035	\$ 123,685
2026	35,000	3,150	89,035	127,185
2027	35,000	1,400	89,038	125,438
	<u>\$ 100,000</u>	<u>\$ 9,200</u>	<u>\$ 267,108</u>	<u>\$ 376,308</u>

Water NJIB Bonds, Series 2016A-1

The Authority's Water Division received a \$1,380,000 Trust Loan and a \$4,290,353 Fund Loan during 2015. The Trust Loan bears interest at a rate of 2.0% to 5.0%, while the Fund Loan is a zero-interest loan. The maturities of the Water NJIB Bonds, Series 2016A-1 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 70,000	\$ 26,306	\$ 225,808	\$ 322,114
2026	75,000	23,506	225,808	324,314
2027	75,000	20,506	225,808	321,314
2028	80,000	17,506	225,808	323,314
2029	80,000	15,906	225,808	321,714
Thereafter	530,000	48,662	1,204,471	1,783,133
	<u>\$ 910,000</u>	<u>\$ 152,392</u>	<u>\$ 2,333,511</u>	<u>\$ 3,395,903</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Water Revenue Bonds Series 2020

On June 18, 2020, the Authority issued \$5,310,000 of Water Revenue Bonds, Series 2020. The Revenue Bonds were issued to fund various improvements in the Authority's water infrastructure. The bonds bear interest at a rate ranging from 1.025% to 1.93%. The maturities of the Water Revenue Bonds Series 2020 are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 865,000	\$ 13,096	\$ 878,096
2026	885,000	13,096	898,096
2027	910,000	12,557	922,557
	<u>\$ 2,660,000</u>	<u>\$ 38,749</u>	<u>\$ 2,698,749</u>

Water NJIB Bonds, Series 2022A-1

The Authority's Water Division received a \$4,870,000 Trust Loan and a \$4,832,153 Fund Loan during 2022. The Trust Loan bears interest at a rate of 3.25% to 5.0%, while the Fund Loan is a zero-interest loan. The maturities of the Water NJIB Bonds, Series 2022A-1 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 95,000	\$ 234,750	\$ 166,626	\$ 496,376
2026	100,000	230,000	166,626	496,626
2027	105,000	225,000	166,626	496,626
2028	110,000	219,750	166,626	496,376
2029	115,000	167,592	166,626	449,218
Thereafter	4,170,000	2,123,633	3,665,771	9,959,404
	<u>\$ 4,695,000</u>	<u>\$ 3,200,725</u>	<u>\$ 4,498,901</u>	<u>\$ 12,394,626</u>

Water NJIB Bonds, Series 2023A-1

The Authority's Water Division received a \$12,574,009 Trust Loan and a \$8,835,515 Fund Loan during 2023. The Trust Loan bears interest at a rate of 3.00% to 5.0%, while the Fund Loan is a zero-interest loan. The maturities of the Water NJIB Bonds, Series 2023A-1 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 235,000	\$ 443,934	\$ 297,827	\$ 976,761
2026	235,000	432,184	297,827	965,011
2027	235,000	420,434	297,827	953,261
2028	245,000	408,184	297,827	951,011
2029	260,000	425,888	297,827	983,715
Thereafter	11,364,009	5,070,097	7,147,829	23,581,935
	<u>\$ 12,574,009</u>	<u>\$ 7,200,721</u>	<u>\$ 8,636,964</u>	<u>\$ 28,411,694</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Water NJIB Bond, Series 2024 A-1

The Authority's Water Division received a \$17,761,040 Trust Loan and a \$11,282,566 Fund Loan during 2024. The Trust Loan bears interest at a rate of 3.03% to 5.0%, while the Fund Loan is a zero-interest loan. The maturities of the Water NJIB Bonds, Series 2024A-1 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 250,000	\$ 750,130	\$ 352,580	\$ 1,352,710
2026	255,000	737,630	352,580	1,345,210
2027	265,000	724,880	352,580	1,342,460
2028	280,000	711,630	352,580	1,344,210
2029	295,000	697,630	352,580	1,345,210
Thereafter	16,416,040	10,594,917	9,519,666	36,530,623
	<u>\$ 17,761,040</u>	<u>\$ 14,216,817</u>	<u>\$ 11,282,566</u>	<u>\$ 43,260,423</u>

Water Revenue Bonds, Series 2024C

The Authority issued on April 26, 2024, \$50,000,000 of Water Revenue Bonds. The Water Revenue Bonds were issued to provide permanent financing for the Series 2023 Water Notes dated April 19, 2023, which matured on May 3, 2024. The Water Revenue Bonds bear interest semiannually at a rate of 5.0% per annum from the issuance date to maturity. Interest on the bonds is calculated based on twelve, thirty-day months in a three hundred sixty-day year. There is a premium associated with the bonds of \$4,920,852 which is being amortized over the life of the bonds. The maturity of the Water Revenue Bonds, Series 2024C is as follows:

Year Ending, December 31,	Principal	Interest	Total
2025	\$ 750,000	\$ 37,500	\$ 787,500
2026	790,000	39,500	829,500
2027	830,000	41,500	871,500
2028	870,000	43,500	913,500
2029	915,000	45,750	960,750
Thereafter	45,845,000	2,295,250	48,140,250
	<u>\$ 50,000,000</u>	<u>\$ 2,503,000</u>	<u>\$ 52,503,000</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Water Franchise Revenue Bonds, Series 2024D (Federally Taxable)

The Authority issued on April 26, 2024, \$35,000,000 of Water Franchise Revenue Bonds Series 2024D. The Water Franchise Revenue Bonds were issued to provide financing for future franchise fee payments and funding for the Water Rate Stabilization Fund. The Water Franchise Revenue Bonds bear interest semiannually at a rate of 5.136% to 5.872% per annum from the issuance date to maturity. Interest on the bonds is calculated based on twelve, thirty-day months in a three hundred sixty-day year. The maturity of the Water Franchise Revenue Bonds Series 2024D is as follows:

Year Ending, December 31,	Principal	Interest	Total
2025	\$ -	\$ -	\$ -
2026	-	-	-
2027	-	-	-
2028	585,000	30,046	615,046
2029	620,000	32,401	652,401
Thereafter	33,795,000	114,504	33,909,504
	<u>\$ 35,000,000</u>	<u>\$ 176,951</u>	<u>\$ 35,176,951</u>

Water Project Notes, Series 2024A

The Authority issued on April 26, 2024, \$25,000,000 of Water Project Notes, Series 2024A. The Project Notes were issued to fund new water projects. The notes bear interest at a rate of 5.0% per annum from the issuance date to maturity. The principal of the notes is payable in full at maturity on May 1, 2025. Interest on the notes is calculated based on twelve, thirty-day months in a three hundred sixty-day year and is payable at maturity or early redemption. There is a premium associated with the notes of \$362,250 which is being amortized over the life of the note. The maturity of the Water Project Notes, Series 2024A is as follows:

Year Ending, December 31,	Principal	Interest	Total
2025	<u>\$ 25,000,000</u>	<u>\$ 1,250,000</u>	<u>\$ 26,250,000</u>

Water Project Notes, Series 2024E

The Authority issued on April 26, 2024, \$25,000,000 of Water Project Notes, Series 2024E. The Project Notes were issued to fund new water projects. The notes bear interest at a rate of 5.0% per annum from the issuance date to maturity. The principal of the notes is payable in full at maturity on May 1, 2025. Interest on the notes is calculated based on twelve, thirty-day months in a three hundred sixty-day year and is payable at maturity or early redemption. There is a premium associated with the notes of \$362,250 which is being amortized over the life of the note. The maturity of the Water Project Notes, Series 2024E is as follows:

Year Ending, December 31,	Principal	Interest	Total
2025	<u>\$ 25,000,000</u>	<u>\$ 1,250,000</u>	<u>\$ 26,250,000</u>

Water NJIB Construction Loan 2023

The Authority authorized \$20,853,889 starting in 2023, in new temporary financing through the NJIB for the purpose of funding various water main projects. The projects are still on going as of December 31, 2024, and the total amount of authorized funds have been classified as long-term debt.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Water NJIB Construction Loan 2024

The Authority authorized \$5,609,860 starting in 2024, in new temporary financing through the NJIB for the purpose of funding various water main projects. The projects are still on going as of December 31, 2024, and the total amount of authorized funds have been classified as long-term debt.

Sewer NJIB Bonds, Series 2007

The Authority’s Sewer Division received a \$3,350,000 Trust Loan and a \$9,113,366 Fund Loan from the NJIB during 2007. The Trust Loan bears interest at a rate of 3.4% to 5.0%, while the Fund Loan is a zero-interest loan. The maturities of the Sewer NJIB Bonds, Series 2007 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 182,000	\$ 26,482	\$ 489,740	\$ 698,222
2026	191,000	9,489	177,073	377,562
2027	200,000	7,504	-	207,504
	<u>\$ 573,000</u>	<u>\$ 43,475</u>	<u>\$ 666,813</u>	<u>\$ 1,283,288</u>

Sewer NJIB Bonds, Series 2010 – ARRA

The Authority’s Sewer Division received a \$1,180,000 Trust Loan and a \$1,182,912 Fund Loan from the NJIB during 2010 (2010 Sewer). The Trust Loan bears interest at a rate of 3.5% to 5.0%, while the Fund Loan is a zero-interest loan. This loan had an ARRA grant portion which was fully expended and drawn-down in the prior year. The maturities of the Sewer NJIB Bonds, Series 2010 – ARRA are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 71,000	\$ 19,500	\$ 62,259	\$ 152,759
2026	76,000	13,557	62,259	151,816
2027	76,000	10,935	62,259	149,194
2028	81,000	7,515	62,259	150,774
2029	86,005	3,655	62,259	151,919
	<u>\$ 390,005</u>	<u>\$ 55,162</u>	<u>\$ 311,295</u>	<u>\$ 756,462</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Sewer NJIB Bonds, Series 2010 - Supplemental A

The Authority's Sewer Division received a supplemental \$510,000 Trust Loan and a \$1,530,896 Fund Loan from the NJIB during 2010 (Supplemental A). The Trust Loan bears interest at a rate of 2.0% to 5.0%, while the Fund Loan is a zero-interest loan. The maturities of the Sewer NJIB Bonds, Series 2010 - Supplemental A are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 13,000	\$ 3,145	\$ -	\$ 16,145
2026	16,000	3,325	-	19,325
2027	16,000	2,250	-	18,250
2028	16,000	1,530	-	17,530
2029	18,000	765	-	18,765
	<u>\$ 79,000</u>	<u>\$ 11,015</u>	<u>\$ -</u>	<u>\$ 90,015</u>

Sewer NJIB Bonds, Series 2010 - Supplemental B

The Authority's Sewer Division received an additional supplemental \$1,715,000 Trust Loan and a \$1,842,360 Fund Loan from the NJIB during 2010 (Supplemental B). The Trust Loan bears interest at a rate of 5.0%, while the Fund Loan is a zero-interest loan. There was a premium booked on this loan of \$127,860 which is being amortized over the life of the loan. The maturities of the Sewer NJIB Bonds, Series 2010 - Supplemental B are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 96,000	\$ 24,879	\$ 93,705	\$ 214,584
2026	100,000	25,845	93,705	219,550
2027	105,000	18,380	93,705	217,085
2028	113,000	15,795	93,705	222,500
2029	238,000	17,950	46,000	301,950
	<u>\$ 652,000</u>	<u>\$ 102,849</u>	<u>\$ 420,820</u>	<u>\$ 1,175,669</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Sewer NJIB Bonds, Series 2012

The Authority's Sewer Division received a \$425,000 Trust Loan and a \$1,350,121 Fund Loan from the NJIB during 2012. The Trust Loan bears interest at a rate of 2.0% to 5.0%, while the Fund Loan is a zero-interest loan. There was a premium booked on this loan of \$25,040 which is being amortized over the life of the loan. The maturities of the Sewer NJIB Bonds, Series 2012 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 20,686	\$ 7,236	\$ 12,749	\$ 40,671
2026	20,504	9,230	-	29,734
2027	24,353	5,172	-	29,525
2028	24,357	-	-	24,357
2029	24,361	10,884	-	35,245
Thereafter	48,623	-	-	48,623
	<u>\$ 162,884</u>	<u>\$ 32,522</u>	<u>\$ 12,749</u>	<u>\$ 208,155</u>

Sewer NJIB Bonds, Series 2013

The Authority's Sewer Division received a \$1,110,000 Trust Loan and a \$3,342,855 Fund Loan during 2014. The Trust Loan bears interest at a rate of 3.0% to 5.0%. The maturities of the Sewer NJIB Bonds, Series 2013 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 65,000	\$ 19,479	\$ 185,714	\$ 270,193
2026	65,000	25,500	185,714	276,214
2027	70,000	22,250	185,714	277,964
2028	70,000	15,937	185,714	271,651
2029	70,000	15,937	185,714	271,651
Thereafter	235,000	26,524	557,145	818,669
	<u>\$ 575,000</u>	<u>\$ 125,627</u>	<u>\$ 1,485,715</u>	<u>\$ 2,186,342</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Sewer NJIB Bonds, Series 2014A

The Authority’s Sewer Division received a \$2,280,000 Trust Loan and a \$6,948,750 Fund Loan of which \$2,000,000 of principal was forgiven from the NJIB during 2014. The Trust Loan bears interest at a rate of 3.0% to 5.0% while the Fund Loan is a zero-interest loan. There was a premium booked on this loan of \$179,623 which is being amortized over the life of the loan. The maturities of the Sewer NJIB Bonds, Series 2014A are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 130,000	\$ 41,459	\$ 259,323	\$ 430,782
2026	130,000	43,256	259,323	432,579
2027	135,000	31,051	259,323	425,374
2028	140,000	27,000	259,323	426,323
2029	145,000	23,500	259,323	427,823
Thereafter	640,000	46,743	1,033,903	1,720,646
	<u>\$ 1,320,000</u>	<u>\$ 213,009</u>	<u>\$ 2,330,518</u>	<u>\$ 3,863,527</u>

Sewer NJIB Bonds, Series 2015A-1

The Authority’s Sewer Division received a \$1,095,000 Trust Loan and a \$3,512,250 Fund Loan during 2015. The Trust Loan bears interest at a rate of 3.0% to 5.0% while the Fund Loan is a zero-interest loan. There was a premium booked on this loan of \$138,240 which is being amortized over the life of the loan. The maturities of the Sewer NJIB Bonds, Series 2015A-1 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 55,000	\$ 28,697	\$ 184,855	\$ 268,552
2026	60,000	28,697	184,855	273,552
2027	65,000	23,200	184,855	273,055
2028	65,000	20,600	184,855	270,455
2029	70,000	19,520	184,855	274,375
Thereafter	380,000	45,080	924,279	1,349,359
	<u>\$ 695,000</u>	<u>\$ 165,794</u>	<u>\$ 1,848,554</u>	<u>\$ 2,709,348</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Sewer NJIB Bonds, Series 2015A-2

The Authority’s Sewer Division received a \$3,015,000 Trust Loan and a \$8,986,007 Fund Loan during 2015. The Trust Loan bears interest at a rate of 3.0% to 5.0% while the Fund Loan is a zero-interest loan. There was a premium booked on this loan of \$219,846 which is being amortized over the life of the loan. The maturities of the Sewer NJIB Bonds, Series 2015A-2 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 155,000	\$ 66,470	\$ 472,948	\$ 694,418
2026	165,000	68,450	472,948	706,398
2027	165,000	51,000	472,948	688,948
2028	170,000	46,050	472,948	688,998
2029	170,000	36,025	472,948	678,973
Thereafter	1,195,001	133,786	2,837,684	4,166,471
	<u>\$ 2,020,001</u>	<u>\$ 401,781</u>	<u>\$ 5,202,424</u>	<u>\$ 7,624,206</u>

Sewer NJIB Bonds, Series 2018A-2

The Authority’s Sewer Division received a \$1,590,000 Trust Loan and a \$3,557,268 Fund Loan during 2018. The Trust Loan bears interest at a rate of 5.0% while the Fund Loan is a zero-interest loan. There was a premium booked on this loan of \$241,657 which is being amortized over the life of the loan. The maturities of the Sewer NJIB Bonds, Series 2018 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 70,000	\$ 50,249	\$ 180,878	\$ 301,127
2026	70,000	49,850	180,878	300,728
2027	70,000	48,250	180,878	299,128
2028	80,000	43,200	180,878	304,078
2029	85,000	41,150	180,878	307,028
Thereafter	920,000	192,050	1,326,079	2,438,129
	<u>\$ 1,295,000</u>	<u>\$ 424,749</u>	<u>\$ 2,230,469</u>	<u>\$ 3,950,218</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Sewer Revenue Bonds Series 2020

On June 18, 2020, the Authority issued the \$19,390,00 Sewer Revenue Refunding Bonds, Series 2020 (Federally Taxable). The Sewer Revenue Refunding Bonds were issued to: (i) advance refund and defease all of \$17,915,000 outstanding principal amount of Sewer Revenue Bonds, Series 2011, dated October 28, 2011 maturing on October 15, 2022, (ii) establish a debt service reserve fund, if required; and (ii) pay a portion of the costs of issuance of the Bonds. The interest rates on the bonds vary between 0.965 % for the shorter maturity issuances to 2.354% for the longer-term maturities. The maturities of the Sewer Revenue Bonds Series 2020 are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 1,825,000	\$ 27,558	\$ 1,852,558
2026	1,855,000	25,850	1,880,850
2027	1,885,000	23,450	1,908,450
2028	1,925,000	23,450	1,948,450
2029	1,965,000	40,425	2,005,425
Thereafter	4,060,000	154,596	4,214,596
	<u>\$ 13,515,000</u>	<u>\$ 295,329</u>	<u>\$ 13,810,329</u>

Sewer NJIB Bonds, Series 2021 Projects -15/20

The Authority’s Sewer Division received a \$2,985,000 Trust Loan and a \$28,024,066 Fund Loan during 2021. The Trust Loan bears interest at a rate of 2.0% to 5.0% while the Fund Loan is a zero-interest loan. There was a premium booked on this loan of \$213,618 which is being amortized over the life of the loan. The maturities of the Sewer NJIB Bonds, Series 2021 Projects 15/20 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 65,000	\$ 140,000	\$ 966,347	\$ 1,171,347
2026	70,000	136,750	966,347	1,173,097
2027	80,000	133,250	966,347	1,179,597
2028	80,000	129,250	966,347	1,175,597
2029	85,000	125,350	966,347	1,176,697
Thereafter	2,420,000	767,513	20,293,290	23,480,803
	<u>\$ 2,800,000</u>	<u>\$ 1,432,113</u>	<u>\$ 25,125,025</u>	<u>\$ 29,357,138</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Sewer NJIB Bonds, Series 2021 Projects -28/31/24

The Authority’s Sewer Division received a \$2,860,000 Trust Loan and a \$7,602,620 Fund Loan during 2021. The Trust Loan bears interest at a rate of 2.0% to 5.0% while the Fund Loan is a zero-interest loan. There was a premium booked on this loan of \$203,349 which is being amortized over the life of the loan. The maturities of the Sewer NJIB Bonds, Series 2021 Projects 28/31/24 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 65,000	\$ 133,750	\$ 262,159	\$ 460,909
2026	65,000	1,305,000	262,159	1,632,159
2027	75,000	127,250	262,159	464,409
2028	75,000	123,500	262,159	460,659
2029	80,000	115,475	262,159	457,634
Thereafter	2,315,000	740,688	5,505,348	8,561,036
	<u>\$ 2,675,000</u>	<u>\$ 2,545,663</u>	<u>\$ 6,816,143</u>	<u>\$ 12,036,806</u>

Sewer NJIB Bonds, Series 2021 Project -33

The Authority’s Sewer Division received a \$3,655,000 Trust Loan and a \$3,852,221 Fund Loan during 2021. The Trust Loan bears interest at a rate of 2.0% to 5.0% while the Fund Loan is a zero-interest loan. There was a premium booked on this loan of \$223,512 which is being amortized over the life of the loan. The maturities of the Sewer NJIB Bonds, Series 2021 Project 33 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 80,000	\$ 175,500	\$ 129,851	\$ 385,351
2026	80,000	171,500	129,850	381,350
2027	85,000	167,500	129,850	382,350
2028	90,000	163,250	129,850	383,100
2029	95,000	150,125	129,850	374,975
Thereafter	3,080,000	1,199,494	2,856,702	7,136,196
	<u>\$ 3,510,000</u>	<u>\$ 2,027,369</u>	<u>\$ 3,505,953</u>	<u>\$ 9,043,322</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Sewer NJIB Bonds, Series 2023A-1

The Authority’s Sewer Division received a \$4,957,948 Trust Loan and a \$8,012,048 Fund Loan during 2023. The Trust Loan bears interest at a rate of 3.03% to 5.0%, while the Fund Loan is a zero-interest loan. The maturities of the Water NJIB Bonds, Series 2022A-1 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 90,000	\$ 175,540	\$ 272,897	\$ 538,437
2026	90,000	171,040	272,897	533,937
2027	100,000	166,540	272,897	539,437
2028	105,000	161,540	272,897	539,437
2029	110,000	135,450	272,897	518,347
Thereafter	4,462,948	1,978,628	6,465,632	12,907,208
	<u>\$ 4,957,948</u>	<u>\$ 2,788,738</u>	<u>\$ 7,830,117</u>	<u>\$ 15,576,803</u>

Sewer NJIB Bonds, Series 2024 Projects W1/C-W1-24

The Authority’s Sewer Division received a \$57,366,960 Trust Loan and a \$41,336,290 Fund Loan during 2024. The Trust Loan bears interest at a rate of 3.03% to 5.0%, while the Fund Loan is a zero-interest loan. The maturities of the Water NJIB Bonds, Series 2022A-1 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 780,000	\$ 78,000	\$ 1,291,759	\$ 2,149,759
2026	815,000	81,500	1,291,759	2,188,259
2027	860,000	86,000	1,291,759	2,237,759
2028	900,000	90,000	1,291,759	2,281,759
2029	945,000	94,500	1,291,759	2,331,259
Thereafter	53,066,960	4,511,796	34,877,495	92,456,251
	<u>\$ 57,366,960</u>	<u>\$ 4,941,796</u>	<u>\$ 41,336,290</u>	<u>\$ 103,645,046</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12. LONG-TERM DEBT (Continued)

Sewer NJIB Bonds, Series 2024 Projects W1/C-W1-40

The Authority’s Sewer Division received a \$1,601,628 Trust Loan and a \$1,179,556 Fund Loan during 2024. The Trust Loan bears interest at a rate of 3.03% to 5.0%, while the Fund Loan is a zero-interest loan. The maturities of the Water NJIB Bonds, Series 2022A-1 are as follows:

Year Ending December 31,	Trust Portion		Fund Portion	Total
	Principal	Interest	Principal	
2025	\$ 25,000	\$ 2,500	\$ 36,861	\$ 64,361
2026	25,000	2,500	36,861	64,361
2027	25,000	2,500	36,861	64,361
2028	25,000	2,500	36,861	64,361
2029	25,000	2,500	36,861	64,361
Thereafter	1,476,628	147,662	995,251	2,619,541
	<u>\$ 1,601,628</u>	<u>\$ 160,162</u>	<u>\$ 1,179,556</u>	<u>\$ 2,941,346</u>

Sewer Project Notes, Series 2024B

The Authority issued on April 26, 2024, \$80,000,000 of Sewer Project Notes, Series 2024B. The Project Notes were issued to refund the Authority’s outstanding \$80,000,000 Sewer Project Notes Series 2023. The notes bear interest at a rate of 5.00% per annum from the issuance date to maturity. The principal of the notes is payable in full at maturity on May 1, 2025. Interest on the notes is calculated based on twelve, thirty-day months in a three hundred sixty-day year and is payable at maturity. There is a premium associated with the notes of \$842,400 which is being amortized over the life of the note. The maturity of the Sewer Project Notes, Series 2024B is as follows:

Year Ending December 31,	Principal	Interest	Total
2025	<u>\$ 80,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 84,000,000</u>

Sewer NJIB Bonds, 2024 Construction Loan

The Authority authorized \$13,027,088 in new temporary financing in 2024 through the NJIB for the purpose of funding various sewer repair projects. The projects are still on going as of December 31, 2024, and the total amount of authorized funds have been classified as long-term debt as of December 31, 2024.

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 12. LONG-TERM DEBT (Continued)

Qualified Water Refunding Bonds, Series 2016B (Taxable)

On November 15, 2016, the City of Jersey City issued \$3,945,000 Qualified Water Refunding Bonds, Series 2016B (Taxable) on behalf of the Authority. The bonds bear an interest rate of 1.137 – 3.758%. The maturities of the Qualified Water Refunding Bonds, Series 2016B (Taxable) are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 15,000	\$ 74,526	\$ 89,526
2026	15,000	67,250	82,250
2027	15,000	65,689	80,689
2028	15,000	65,689	80,689
2029	395,000	65,689	460,689
Thereafter	1,720,000	141,705	1,861,705
	<u>\$ 2,175,000</u>	<u>\$ 480,548</u>	<u>\$ 2,655,548</u>

Qualified Water Refunding Bonds, Series 2021B (Taxable)

During 2021, the City of Jersey City issued \$1,685,000 Qualified Water Refunding Bonds, Series 2021B (Taxable) on behalf of the Authority. The bonds were issued to advance refund \$1,660,000 principal amount of the Series 2011 Water Revenue Bonds and bear an interest rate of .067 – 1.61%. The maturities of the Qualified Water Refunding Bonds, Series 2021B (Taxable) are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 330,000	\$ 6,138	\$ 336,138
2026	335,000	7,571	342,571
2027	335,000	7,571	342,571
2028	340,000	4,930	344,930
	<u>\$ 1,340,000</u>	<u>\$ 26,210</u>	<u>\$ 1,366,210</u>

NOTE 13. FRANCHISE AGREEMENT LIABILITY

The Authority’s Water Services Franchise and Service Agreement with the City is a Public-Public Partnership agreement (PPP). As such, the Authority has recorded a Franchise Agreement liability for the present value of payments due over the term of the agreement. At implementation of GASB Statement No. 94 on January 1, 2023, the initial measurement of the remaining 2005 Amended Franchise Agreement liability was calculated utilizing a 4.55% discount rate amortized over the remaining term of the agreement. On February 1, 2024 the 2005 Amended Franchise Agreement was amended and restated (taken together, the “2024 Amended Franchise Agreement”), extending the Franchise Period until December 28, 2063 and the remaining liability for installment payments was amended and restated with a measurement of the liability for installment payments utilizing a 5.36% discount rate amortized over the term of the amended agreement.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13. FRANCHISE AGREEMENT LIABILITY (Continued)

The Authority’s Water Fund had the following franchise agreement liability outstanding as of December 31, 2024 and 2023:

	<u>Balance</u> <u>January 1, 2024</u>	<u>Amended</u>	<u>Repayments</u>	<u>Balance</u> <u>December 31, 2024</u>
Water Fund:				
Franchise Agreement Liability	\$ 85,403,517	\$ 363,496,866	\$ 35,677,358	\$ 413,223,025
Total Franchise Agreement Liability	<u>\$ 85,403,517</u>	<u>\$ 363,496,866</u>	<u>\$ 35,677,358</u>	<u>\$ 413,223,025</u>
Summary Franchise Agreement Liability				
Current Portion	\$ 19,919,185			\$ 12,653,355
Long Term Portion	<u>65,484,332</u>			<u>400,569,670</u>
Total Franchise Agreement Liability	<u>\$ 85,403,517</u>			<u>\$ 413,223,025</u>
	<u>Balance</u> <u>January 1, 2023</u>	<u>Implemented</u>	<u>Repayments</u>	<u>Balance</u> <u>December 31, 2023</u>
Water Fund:				
Franchise Agreement Liability	\$ -	103,838,100	18,434,583	\$ 85,403,517
Total Franchise Agreement Liability	<u>\$ -</u>	<u>\$ 103,838,100</u>	<u>\$ 18,434,583</u>	<u>\$ 85,403,517</u>
Summary Franchise Agreement Liability				
Current Portion	\$ -			\$ 19,919,185
Long Term Portion	<u>-</u>			<u>65,484,332</u>
Total Franchise Agreement Liability	<u>\$ -</u>			<u>\$ 85,403,517</u>

The principal and interest requirements for the liability for installment payments for each of the five subsequent years and in five-year increments thereafter are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 12,653,355	\$ 20,346,645	\$ 33,000,000
2026	13,320,607	19,679,393	33,000,000
2027	3,585,494	19,414,506	23,000,000
2028	3,774,569	19,225,431	23,000,000
2029	3,973,614	19,026,386	23,000,000
2030 - 2034	23,241,109	91,758,891	115,000,000
2035 - 2039	30,050,270	84,949,730	115,000,000
2040 - 2044	38,854,373	76,145,627	115,000,000
2045 - 2049	50,237,899	64,762,101	115,000,000
2050 - 5054	64,956,559	50,043,441	115,000,000
2055 - 2059	83,987,479	31,012,521	115,000,000
2060 - 2063	<u>84,587,697</u>	<u>7,412,303</u>	<u>92,000,000</u>
	<u>\$ 413,223,025</u>	<u>\$ 503,776,975</u>	<u>\$ 917,000,000</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS

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

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

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007.
2	Employees eligible for enrollment after June 30, 2007 but before November 2, 2008
3	Employees eligible for enrollment after November 1, 2008 but before May 22, 2010
4	Employees eligible for enrollment after May 21, 2010 but before June 28, 2011
5	Employees eligible for enrollment after June 27, 2011

Service retirement benefits of the 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of their respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

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

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

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

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

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Contribution Requirements

For DCRP employee contributions are based on percentages of 5.50% of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For PERS, the contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in fiscal year 2012. The member contribution rate was 7.34% in the State fiscal year 2018 and the final phase-in of additional incremental member contribution rate took place on July 1, 2018, reaching 7.5%. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefit

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

The Authority's contributions to PERS normal pension for the past three years were as follows:

Year Ended December 31,	PERS
2024	\$ 1,953,663
2023	1,861,917
2022	1,728,445

Liability

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

At December 31, 2024 and 2023, the Authority's net pension liability for PERS was \$18,774,159, and \$20,178,191 respectively.

The net pension liability at December 31, 2024 and 2023 was measured as of June 30, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, the Authority's PERS proportion was 0.01382%, which was an increase of 0.01143% from its proportion measured as of June 30, 2023. At June 30, 2023, the Authority's PERS proportion was 0.01393%, which was an increase of 0.01712% from its proportion measured as of June 30, 2022.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Liability (Continued)

For the year ended December 31, 2024, and 2023, the Authority recognized pension (benefits) of (\$138,200) and (\$337,710), respectively. At December 31, 2023, and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 326,099	\$ 190,284	\$ 192,929	\$ 82,482
Changes in assumptions	-	870,506	44,327	1,222,885
Net differences between projected and actual investment earnings on pension plan investments	-	-	92,923	-
Changes in proportion	1,699,180	-	3,205,509	-
Authority contribution subsequent to measurement date	1,910,252	-	-	-
Total	\$ 3,935,531	\$ 1,060,790	\$ 3,535,688	\$ 1,305,367

\$1,910,252 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2024) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year Ending December 31,	
2025	\$ 263,809
2026	1,704,539
2027	(16,884)
2028	(474,018)
2029	(13,534)
	\$ 1,463,912

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions

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

	<u>July 1, 2023</u>	<u>July 1, 2022</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases	2.75 - 6.55% based on years of service	2.75 - 6.55% based on years of service
Investment rate of return	7.00%	7.00%

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

Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024 and 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Long-Term Expected Rate of Return (Continued)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

	2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Authority's proportionate share of PERS net pension liability	\$ 24,439,960	\$ 18,774,159	\$ 13,951,813
	2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Authority's proportionate share of PERS net pension liability	\$ 26,267,711	\$ 20,178,191	\$ 14,995,204

Payable to the pension plan

At December 31, 2024 and 2023, the Authority reported accounts payable to the PERS of \$1,910,252 and \$1,891,876, respectively, for the required actuarially determined contribution to PERS for the years ended June 30, 2025 and 2024, respectively.

Pension Plan fiduciary net position

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

NOTE 15. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 13, the Authority provides post-employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost. On January 1, 2013, the Authority adopted the provisions of N.J.S.A. 52:14-17.38 and adhered to the rules and regulations promulgated by the State Health Benefits Commission to implement the provisions of that law. This resolution affects employees as shown in Chapter 48, P.L. 1999.

Chapter 48, P.L. 1999, provides eligible participating local employers considerable flexibility in managing their postretirement medical costs. It also brings State Health Benefits Program (SHBP) and School Employees' Health Benefits Program (SEHBP) eligibility standards for employer-paid coverage into alignment with local government laws. Adoption of this Resolution does not free the Authority of the obligation to pay for postretirement medical benefits of retirees or employees who qualified for those payments under any Chapter 88 or Chapter 48 Resolution previously adopted by the governing body.

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (Continued)

The Resolution will remain in effect until properly amended or revoked with the State Health Benefits Program. The Authority recognizes that, while it remains in the State Health Benefits Program, it is responsible for providing the payment for postretirement medical coverage as listed in the Chapter 48 Resolution Addendum for all employees who qualify for this coverage while this Resolution is in force.

Plan Description

The Authority contributes to 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, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In order to receive health benefits, retirees must have been enrolled in the pension system for 25 years. All active full time employees are covered by the SHBP.

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

Employees who had less than 20 years of creditable service on June 28, 2011 and subsequently retire after accumulating a minimum of 25 years of creditable service are required by Chapter 78, P.L. 2011 to contribute a percentage of the cost of their health care coverage in retirement. The percentage of the premium that will be the responsibility of the retiree is determined based upon the retiree's annual retirement benefit and level of coverage. Chapter 78 retirees opting for single will make contributions that escalate from 4.5% for annual retirement allowance under \$20,000 to 35.0% for annual retirement allowances exceeding \$110,000 per annum. Chapter 78 retirees opting for family coverage will range from 3.43% for annual retirement allowances under \$25,000 per annum to 35.0% for annual retirement allowances exceeding \$110,000 per annum.

Cost sharing requirements for retirees are as follows:

1. Any eligible employee who was retired as of June 28, 2011 (effective date of Ch. 78, P.L. 2011) is not required to contribute to the cost of benefits.
2. Active employees who had accrued 25 years of service at June 28, 2011 will not be required to contribute to the costs of benefits upon retirement.
3. Active employees who had accrued 20 years of service at June 28, 2011 will be required to contribute 1.5% of their retirement benefit towards the cost of post-retirement health benefits.
4. Active employees who had not accrued 20 years of service at June 28, 2011 will, upon retirement continue to pay the applicable percentage of health care costs as set forth in the law. However, retiree contributions will be based upon the retirement benefit rather than the active salary.

P.L. 1987, c.384 and P.L. 1990, c.6. required the Public Employees Retirement System (PERS) to fund post-retirement medical benefits for those members who retire after accumulating a minimum of 25 years of credited service or on a disability retirement. Pursuant to P.L. 2007, c.103, separate funds outside the pension plans were established for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (Continued)

Plan Description (Continued)

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

Funding Situation

The components of the collective net OPEB liability of the participating employers in the Plan, are as follows:

	2024	2023
Total OPEB liability		
Service cost	\$ 1,175,936	\$ 1,355,003
Interest cost	1,196,134	1,319,241
Changes of benefit terms	232,282	52,280
Differences between expected and actual experiences	881,255	(4,818,185)
Changes in assumptions	3,745,121	578,874
Changes in proportion	(1,665,101)	5,619,756
Gross benefit payments	(1,202,422)	(1,354,906)
Member contributions	138,840	141,629
Net change in total OPEB liability	4,502,045	2,893,692
Total OPEB liability, January 1	33,786,981	30,893,289
Total OPEB liability, December 31	\$ 38,289,026	\$ 33,786,981
Plan fiduciary net position		
Employer contributions	\$ 1,004,321	\$ 1,105,088
Member contributions	138,840	141,629
Net investment income	(3,530)	4,543
Changes in proportion	13,079	(20,490)
Gross benefit payments	(1,202,422)	(1,354,906)
Administrative expenses	(23,988)	(28,630)
Net change in plan fiduciary net position	(73,700)	(152,766)
Plan fiduciary net position, January 1	(265,408)	(112,642)
Plan fiduciary net position, December 31	\$ (339,108)	\$ (265,408)
Net OPEB liability, December 31	\$ 38,628,134	\$ 34,052,389

At December 31, 2024 and 2023, the Authority had 205 and 207 plan members, respectively, eligible for other post-employment benefits.

The net OPEB liability at December 31, 2024 and 2023 was measured as of June 30, 2024 and 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportionate share of the net OPEB liability was based on separately calculated OPEB liabilities and further allocated based on the ratio of the plan members relative to the total plan members for the period of measurement. At June 30, 2024, the Authority's proportionate share of the OPEB liability was 0.2157%, which was an decrease of -0.001118% from its proportionate share measured as of June 30, 2023. At June 30, 2023, the Authority's proportionate share of the OPEB liability was 0.22691%, which was a increase of 0.034925% from its proportionate share measured as of June 30, 2022.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (Continued)

Funding Situation (Continued)

For the years ended December 31, 2024 and 2023, the Authority recognized OPEB liability expense of \$486,641 and \$24,210 respectively. At December 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,588,693	\$ -	\$ 7,677,196
Changes in assumptions	45,867	-	11,716,502	5,214,458
Net differences between projected and actual investment earnings on pension plan investments	-	17,486	-	5,619
Changes in proportion	7,468,645	-	-	-
Total	\$ 7,514,512	\$ 4,606,179	\$ 11,716,502	\$ 12,897,273

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

Year Ending December 31,	
2025	\$ (202,112)
2026	796,220
2027	1,295,903
2028	71,775
2029	(3,539)
Thereafter	950,086
	\$ 2,908,333

Funding Policy

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

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions

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

	2024	2023
Inflation rate	2.50%	2.50%
Salary Increases*		
Rate through 2026	2.75% - 6.55%	2.75% - 6.55%
Rate thereafter	3.25% - 16.25%	3.25% - 16.25%
	Based on Age	Based on Age

* Salary increases are based on years of service.

Pre-retirement mortality rates were based on the Pub-2010 General classification headcount weighted mortality with fully Mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for July 1, 2022 and 2021.

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

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

Discount Rate

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

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

	2024		
	At 1% Decrease (2.65%)	At Current Discount Rate (3.65%)	At 1% Increase (4.65%)
Authority's proportionate share of total OPEB liability	\$ 38,628,134	\$ 38,628,134	\$ 28,251,579

	2023		
	At 1% Decrease (2.54%)	At Current Discount Rate (3.54%)	At 1% Increase (4.54%)
Authority's proportionate share of total OPEB liability	\$ 39,443,521	\$ 34,052,389	\$ 29,716,055

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

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

	2024		
	1 % Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of total OPEB liability	\$ 27,449,547	\$ 38,628,134	\$ 38,596,417

	2023		
	1 % Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of total OPEB liability	\$ 28,872,449	\$ 34,052,389	\$ 40,597,139

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 16. COMPENSATED ABSENCES

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

	<u>Balance January 1, 2024</u>	<u>Net Additions/ (Reductions)</u>	<u>Balance December 31, 2024</u>
Compensated Absences:			
Water fund	\$ 120,403	\$ (10,630)	\$ 109,773
Sewer fund	236,918	(47,709)	189,209
Total Compensated Absences	<u>\$ 357,321</u>	<u>\$ (58,339)</u>	<u>\$ 298,982</u>
	<u>Balance January 1, 2023</u>	<u>Net Additions/ (Reductions)</u>	<u>Balance December 31, 2023</u>
Compensated Absences:			
Water fund	\$ 89,902	\$ 30,501	\$ 120,403
Sewer fund	116,896	120,022	236,918
Total Compensated Absences	<u>\$ 206,798</u>	<u>\$ 150,523</u>	<u>\$ 357,321</u>

NOTE 17. RISK MANAGEMENT

The Authority is exposed to various property and casualty risks including property damage caused to any of the Authority's property, motor vehicles, equipment or apparatus; liability resulting from the use or operation of such motor vehicles, equipment or apparatus; liability from the Authority's negligence, including that of its officers, employees and servants and workers' compensation obligations. The Authority holds commercial insurance policies which insure against the risk of loss for all above mentioned.

The Authority engages an outside workers' compensation attorney to handle all workers' compensation claims against the Authority arising from periods prior to August 1, 2005, when they were "self-insured" for workers compensation losses. The Authority does not accrue for losses as the amounts are difficult to estimate and they pay medical expenses and claims as they are incurred and/or settled through litigation.

NOTE 18. CONTINGENCIES

United States of America v. Jersey City Municipal Utilities Authority (United States Environmental Protection Agency Consent Order and Modification)

In 2011, the Authority entered into a Consent Decree (No. 90-5-1-1-09499) (the "Consent Decree") with the United States Environmental Protection Agency ("USEPA") to address alleged violations of Section 301 (a) of the Clean Water Act ("CWA"), 33 U. S.C. Section 131 l(a), and the New Jersey Pollutant Discharge Elimination System General Permit for Combined Sewer System ("CSS General Permit") that was issued to it pursuant to Section 402 of the CWA, 33U. S.C. Section 1342. Although under the terms of the Consent Decree the Authority has admitted no liability, the USEPA has alleged that the Authority violated the CWA and the CSS General Permit in a number of ways, including but not limited to, causing dry weather overflows, failing to properly operate and maintain its Combined Sewer System ("CSS"), failing to prevent tidal intrusion into the collection system, and allowing the discharge of untreated sewage from the collection system onto public and private property in Jersey City.

The Consent Decree mandated that the Authority undertake a Combined Sewer System Capacity and Condition Assessment Study (the "Study") to better understand its CSS and to identify actions that need to be undertaken to address flooding and other problems in the CSS. The Study was intended to enable the Authority to prioritize improvements needed and begin addressing those improvements in an orderly fashion as capital improvement funding became available.

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 18. CONTINGENCIES (Continued)

United States of America v. Jersey City Municipal Utilities Authority (United States Environmental Protection Agency Consent Order and Modification) (Continued)

The Consent Decree authorized the Authority to undertake a phased approach to the Study, with all phases as of the Study being completed by no later than January 15, 2015. In total the Study contains eight (8) distinct phases. Within three (3) months after completing each phase of the Study, the Consent Decree also required the Authority to prepare, for USEPA approval, a report containing recommended actions to be implemented by the Authority as a result of the Study. Each report was to include a timeframe for completing each recommended action. The USEPA and the Authority agreed to confer on an as needed basis to discuss relative priority to be given to the action items resulting from the Study, with the Authority being responsible for completing all recommended actions as soon as practicable, but no later than December 31, 2021.

Although the Authority has met its obligations to complete the phased Study, to submit subsequent reports to USEPA, and to complete implementation of certain recommended actions in a timely manner, a number of significant and costly sewer improvements that were not anticipated when the Study was developed have made implementation of all recommended actions by the December 31, 2021 deadline impracticable. To date, construction of phases 3 and 4 of the Study have been completed with completion of construction of all other phases pending. In addition, the Consent Decree also required the Authority to clean, line and replace, as necessary, the Grand Street twin 54-inch sewers. The Consent Decree stated that the completion date for the Grand Street project shall be no later than October 1, 2019, which the USEPA administratively extended this deadline to December 31, 2020. The scope of the Grand Street project has been significantly expanded to include numerous sewer separations in the downtown area of the City which has significantly extended the date of construction completion of the Grand Street project. Finally, the Consent Decree required the Authority to evaluate all of its pump stations throughout its combined sewer system and memorialize its evaluation in a Pump Station Report. The Pump Station Report was completed and recommended upgrades to Pump Stations 1, 2 and 3B. Plans for the upgrades are presently under review by the New Jersey Department of Environmental Protection.

Accordingly, the Authority prepared a Petition for a Modification of the Consent Decree, that was submitted to the USEPA, to extend the deadlines for completion of the pending phases recommended by the Study (deadline extension for Phases 1 and 2 to May 31, 2023 and Phases 5 through 8 to December 31, 2031), upgrading of the aforementioned pump stations (deadline extension to December 31, 2023) and the Grand Street Project (deadline extension to December 31, 2031). The Authority bears the burden of demonstrating that it is entitled to the Modification. The Modification request for a deadline extension is deemed to be "material" which must be approved by the United States District Court for the District of New Jersey. On January 27, 2022, the United States Department of Justice lodged the proposed Modification to the Consent Decree with the United States District Court for District of New Jersey and published notice of lodging in the Federal Register on February 2, 2022 to allow public review of and comment on the proposed Consent Decree Modification. The public comment period closed on April 4, 2022. Thereafter, the USEPA responded to any comments submitted and then determined to grant the requested Consent Decree modification. Thereafter, the modified Consent Decree was approved by the Court.

Jersey City Municipal Utilities Authority v. Liberty Aggregates, LLC and Reliable Paper Recycling, Inc.

The Authority initiated this civil action in Hudson County Superior Court for injunctive relief to recover damages done to its underground sewer pipes under Carteret Avenue in Jersey City by defendant Liberty, a stone aggregate company that stored material on the Authority's easement.

The Authority has obtained injunctive relief and secured a \$550,000 settlement payment from defendants after mediation. The parties executed a settlement agreement and release, and the matter was dismissed on July 24, 2023 upon payment of the settlement proceeds to the Authority. No further costs (litigation or otherwise) are anticipated.

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 18. CONTINGENCIES (Continued)

Jersey City Municipal Utilities Authority, et al. v. Rockaway Valley Sewerage Authority, et als.

On January 7, 2010, the Authority and the City filed a complaint in the Superior Court of New Jersey against the Rockaway Valley Regional Sewerage Authority (“RVRSA”), and nine Morris County municipalities (collectively, the “Municipal Defendants”). The lawsuit challenges the continued validity of certain 1971 and 1984 settlement agreements, which require the Authority to contribute millions of dollars per year to the capital and operating expenses of RVRSA.

During the pendency of the litigation, the Authority has been paying RVRSA’s assessments for operating and maintenance expenses, but withholding payment of RVRSA’s assessed amounts for capital costs. RVRSA maintains that the Authority owes approximately \$8.2 million for unpaid capital assessments from 2010 – 2021.

The court held a second trial in 2021 and entered a judgement dismissing RVRSA’s counterclaim without awarding RVRSA any damages. Accordingly, no damages are owed to RVRSA by either the Authority or the City currently. The case is currently still being litigated. On May 20, 2025, the Appellate Division issued its decision, affirming all of the trial court’s judgments and orders. All parties have petitioned for certification to the New Jersey Supreme Court for review of the Appellate Division decision. The petitions are fully submitted and pending decision by the Supreme Court.

On October 25, 2022 RVSA filed a Complaint against the Authority and the City seeking approximately \$2,500,000 in what RVRSA alleges are operating expenses owed for the period from 2018 through the filing of the 2022 complaint. The Authority and the City moved to dismiss or stay the 2022 complaint on the basis that it is duplicative of the prior action between the parties. The court denied the Authority’s motion to dismiss or stay, but the notion resulted in RVRSA amending its Complaint to be more specific as to its claims and to eliminate the duplicative allegations. The parties are proceeding with the 2022 litigation relating to RVRSA’s claims.

Potential Claim of Public Service Electric and Gas Company against JCMUA for Replacement of Gas Main in Sip Avenue, Jersey City

During the course of combined sewer separation project on Sip Avenue in Jersey City, Public Service Electric and Gas Company (“PSE&G”) asserted that actions of an Authority contractor compromised the integrity of a large natural gas main in Sip Avenue, causing PSE&G to replace the gas main. Alleging that the replacement of the gas main was the direct result of actions taken by the Authority’s contractor in working on the completion of the combined sewer separation project, PSE&G sent to the Authority an invoice in the amount of \$1,391,597.24.

In January 2014, the Authority awarded a contract for the completion of a combined sewer replacement project on Newark Avenue in Jersey City. While making final preparations for the start of construction for this project, it was discovered that the Electrical Division of PSE&G had recently installed a conduit bank over the Authority’s existing combined sewer main on Newark Avenue between James Avenue and Senate Place, and also between Summit Avenue and John F. Kennedy Boulevard. This unanticipated circumstance effectively prohibited the Authority’s contractor from performing its contractual obligations to replace the combined sewer mains until the conduit bank was removed.

Subsequently, representatives of PSE&G indicated at a meeting held in May 2014 that it was preparing to “energize” the conduit on Newark Avenue within a few weeks. As any efforts to “energize” the conduit would have only compounded the problem faced by the Authority in trying to replace, and subsequently maintain, its sewer main, a letter was issued demanding that PSE&G cease and desist from taking any actions to “energize” the electrical conduit on Newark Avenue. The Authority also requested and received permission from PSE&G to remove the conduit subject to negotiations as to the repayment of the additional cost associated with the removal. The total cost of the removal and disposal of the conduit was \$1,174,664.28 and an invoice was sent to PSE&G in late-2015 and, to date, remains unpaid.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 18. CONTINGENCIES (Continued)

Potential Claim of Public Service Electric and Gas Company against JCMUA for Replacement of Gas Main in Sip Avenue, Jersey City (Continued)

At this time, the Authority and PSE&G are evaluating the invoices and circumstances leading to the replacement of the gas main in Sip Avenue, and the removal and disposal of the conduit bank in Newark Avenue. It is not possible at this time to determine the likelihood of success of PSE&G's claims for damages to its gas main in Sip Avenue or the Authority's demand for payment for removal and disposal of PSE&G's conduit bank in Newark Avenue.

The Authority has also been named as a defendant in several pending lawsuits which are neither unusual nor unique for an Authority of this size. It is the opinion of management and the Authority's attorney that the total potential claims are not material to the financial statements.

Potential Challenge to Denial of Coverage for Emergency Sewer Project on Danforth and Rt. 440

While the Authority has not yet determined how to proceed, there is a potential for litigation challenging the denial of a claim for insurance coverage stemming from an emergency project. The Authority filed a request for reconsideration of the denial of insurance coverage in an internal appeal to CNA, the Authority's insurance carrier. CNA responded with a determination to deny coverage to the Authority. The Authority thereafter pursued an internal appeal of the decision and recently received a decision from CNA's Internal Appeals Panel reaffirming CNA's denial of coverage linked to their lack of notice regarding the loss and the circumstances giving rise to the damage. A determination regarding whether the Authority will pursue litigation to challenge CNA's denial of coverage has not yet been made by the Authority. The amount of coverage at issue is approximately \$5 million.

5 Corners Plaza LLC and Estate Capital Group v. City of Jersey City and Jersey City Municipal Utilities Authority

5 Corners Plaza LLC and Estate Capital Group filed a verified complaint and order to show cause on December 9, 2024. The Authority filed an answer and counterclaim to the verified complaint and responsive filing to the order to show cause. This litigation stems from unpaid water usage and administrative fees associated with real property owned by the Plaintiffs located in Jersey City which are serviced by the Authority. In 2024, the properties were added to the Jersey City tax sale list due to large unpaid balances accruing on the utility accounts associated with the properties. The charges consist of a mixture of unpaid water usage fees, compliances fees for failure to obtain meters on certain properties, and other administrative fees. The Verified Complaint alleges the Authority improperly assessed usage fees on certain properties resulting in inflated usage bills. Plaintiffs also allege they are not subject to the compliance and other administrative fees assessed on their properties because they are vacant and no water is being used.

Plaintiffs sought temporary restraints to remove the properties from the 2024 tax sale list which was granted by the Court. Plaintiffs further sought a preliminary injunction enjoining the City of Jersey City from adding the properties back to the tax sale list until such time as the Parties resolve the dispute underlying the Verified Complaint. The Authority consented to this relief. The Parties have engaged in discovery and various conferences in an attempt to resolve the dispute. A meter replacement and test was performed on December 2, 2025. Discovery is still ongoing with a deposition of Authority's corporate designee tentatively scheduled for February 16, 2026.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 19. UNRESTRICTED NET POSITION – BUDGETARY

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

	2024		2023	
	Water Fund	Sewer Fund	Water Fund	Sewer Fund
Total Unrestricted Net Position	\$ (3,518,305)	\$ (8,494,249)	\$ 1,430,161	\$ (22,962,548)
Adjusted by:				
Net Pension Liability and Related Deferred Inflows and Outflows:				
Net Pension Liability	3,754,832	15,019,327	4,237,420	15,940,771
Accounts Payable - Pension Related	382,050	1,528,202	-	1,891,876
Deferred Pension Liability Inflows	212,158	848,632	274,127	1,031,240
Deferred Pension Liability Outflows	(787,106)	(3,148,425)	(742,494)	(2,793,194)
Net Other Post-Employment Benefits Liability Inflows and Outflows:				
Net Other Post-Employment Benefits Liability	6,704,055	31,924,079	6,129,430	27,922,959
Deferred Other Post-Employment Benefits Liability Inflows	534,318	4,071,861	2,321,509	10,575,764
Deferred Other Post-Employment Benefits Liability Outflows	(1,151,407)	(6,363,105)	(2,108,970)	(9,607,532)
Total Unrestricted Net Position - Budgetary	<u>\$ 6,130,595</u>	<u>\$ 35,386,322</u>	<u>\$ 11,541,183</u>	<u>\$ 21,999,336</u>

NOTE 20. SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through February 12, 2026, the date which the financial statements were available to be issued and no items, other than those already included in Note 18, Contingencies, have come to the attention of the Authority that would require disclosure, except for the following:

Water Project Notes, Series 2025A

The Authority issued on April 30, 2025, \$87,370,000 of Water Project Notes, Series 2025A. The Project Notes were issued to fund various new water projects. The notes bear interest at a rate of 5.00% per annum from the issuance date to maturity. The principal of the notes is payable in full at maturity on May 1, 2026. Interest on the notes is calculated based on twelve, thirty-day months in a three hundred sixty-day year and is payable at maturity. There is a premium associated with the notes of \$1,260,749 which is being amortized over the life of the note.

Water Project Notes, Series 2025B

The Authority issued on April 30, 2025, \$8,925,000 of Water Project Notes, Series 2025B. The Project Notes were issued to fund various new water projects. The notes bear interest at a rate of 4.80% per annum from the issuance date to maturity. The principal of the notes is payable in full at maturity on May 1, 2026. Interest on the notes is calculated based on twelve, thirty-day months in a three hundred sixty-day year and is payable at maturity. There is no premium associated with the note's issuance.

Sewer Project Notes, Series 2025C

The Authority issued on April 30, 2025, \$17,820,000 of Sewer Project Notes, Series 2025C. The Project Notes were issued to fund various new sewer projects. The notes bear interest at a rate of 5.00% per annum from the issuance date to maturity. The principal of the notes is payable in full at maturity on May 1, 2026. Interest on the notes is calculated based on twelve, thirty-day months in a three hundred sixty-day year and is payable at maturity. There is a premium associated with the notes of \$257,142 which is being amortized over the life of the notes.

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 20. SUBSEQUENT EVENTS (Continued)

Water Revenue Bonds, Series 2025D

The Authority issued on April 30, 2025, \$48,065,000 of Water Revenue Bonds, Series 2025C, bearing interest at a rate of 5.75% per year. There is a premium associated with the Water Revenue Bonds issuance of \$4,911,459. The bonds were issued (a) permanent financing of the \$50,000,000 Water Notes Series 2024E, (b) Water Bond Reserve Fund Deposit \$2,254,878 (c) cost of issuance \$451,581.

Sewer Revenue Bonds, Series 2025E

The Authority issued on April 30, 2025, \$78,405,000 of Sewer Revenue Bonds, Series 2025E. The bonds were issued to provide permanent financing of the Authority's outstanding \$80,000,000 Sewer Project Notes Series 2024B, dated April 26, 2024 which matured on May 1, 2025. The bonds bear interest at a rate of 5.75% per annum from the issuance date to maturity. Interest on the bonds is calculated based on twelve, thirty-day months in a three hundred sixty-day year and is paid semiannually. There is a premium associated with the bond's issuance in the amount of \$8,012,182, which is being amortized over the life of the bonds.

Water Franchise Revenue Bonds, Series 2025F

The Authority issued on April 30, 2025, \$10,000,000 of Water Franchise Revenue Bonds, Series 2025F. The bonds were issued to provide financing for future franchise fee payment. The bonds bear interest at a rate of 4.82% to 5.80% per annum from the issuance date to maturity. Interest on the bonds is calculated based on twelve, thirty-day months in a three hundred sixty-day year and is paid semiannually. There is no premium associated with the bond's issuance.

Sewer Project Notes, Series 2025G

The Authority issued on September 23, 2025, \$26,433,245 Taxable Project Note, Series 2025G. The Project Note was issued to fund various sewer projects. The note bears interest at a rate of 4.618% per annum from the issuance date to maturity. The principal of the notes is payable in full at maturity on May 1, 2026. Interest on the note is calculated based on twelve, thirty-day months in a three hundred sixty-day year and is payable at maturity.

Sewer Project Notes, Series 2025H

The Authority issued on September 23, 2025, \$25,875,000 Project Note, Series 2025H. The Project Note was issued to fund various sewer projects. The note bears interest at a rate of 5.00% per annum from the issuance date to maturity. The principal of the notes is payable in full at maturity on May 1, 2026. Interest on the note is calculated based on twelve, thirty-day months in a three hundred sixty-day year and is payable at maturity. There is a premium associated with the note of \$307,654 which is being amortized over the life of the note.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SCHEDULES OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Authority's proportion of the net pension liability	0.138166732%	0.139310066%	0.138166732%	0.215734000%	0.138166732%	0.010668060%	0.099567305%	0.094956116%	0.101545082%	0.094346167%
Authority's proportionate share of the net pension liability	\$ 18,774,159	\$ 20,178,191	\$ 20,648,870	\$ 14,474,186	\$ 18,504,235	\$ 19,222,226	\$ 19,604,306	\$ 22,104,266	\$ 30,074,741	\$ 21,178,824
Authority's covered-employee payroll	10,757,390	10,245,141	9,757,278	9,292,646	8,621,452	7,950,258	7,521,365	6,939,823	6,520,578	6,774,285
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	174.52%	196.95%	211.63%	155.76%	214.63%	241.78%	260.65%	318.51%	461.23%	312.64%

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

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SCHEDULES OF THE AUTHORITY'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually Required Contribution	\$ 1,528,202	\$ 1,891,876	\$ 1,861,917	\$ 1,430,883	\$ 1,409,576	\$ 985,369	\$ 945,340	\$ 902,112	\$ 867,075	\$ 796,873
Contributions in Relation to the Contractually Required Contribution	<u>(1,528,202)</u>	<u>(1,891,876)</u>	<u>(1,861,917)</u>	<u>(1,430,883)</u>	<u>(1,409,576)</u>	<u>(985,369)</u>	<u>(945,340)</u>	<u>(902,112)</u>	<u>(867,075)</u>	<u>(796,873)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Employee Payroll	\$ 10,757,390	\$ 10,245,141	\$ 9,757,278	\$ 9,292,646	\$ 8,621,452	\$ 7,950,258	\$ 7,521,365	\$ 6,939,823	\$ 6,520,578	\$ 6,774,285
Contributions as a percentage of the Authority's Covered Employees Payroll	14.21%	18.47%	19.08%	15.40%	16.35%	12.39%	12.57%	13.00%	13.30%	11.76%

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

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SCHEDULES OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF OPEB LIABILITY
ATTRIBUTABLE TO THE AUTHORITY AND RELATED RATIOS
STATE HEALTH BENEFITS RETIRED EMPLOYEES OPEB PLAN
LAST EIGHT FISCAL YEARS

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability								
Service cost	\$ 1,175,936	\$ 1,355,003	\$ 1,529,512	\$ 1,643,274	\$ 1,064,192	\$ 1,078,858	\$ 1,367,332	\$ 1,450,938
Interest cost	1,196,134	1,319,241	770,603	803,767	873,632	1,029,506	1,165,714	883,795
Changes of benefit terms	232,282	52,280	772,719	3,941	1,816	-	-	-
Differences between expected and actual experiences	881,255	(4,818,185)	1,098,284	(2,323,290)	951,015	(2,265,788)	(5,532,557)	-
Changes in assumptions	3,745,121	578,874	(6,910,848)	658,738	5,400,383	(2,647,494)	(3,530,698)	(3,527,215)
Changes in proportion	(1,665,101)	5,619,756	(402,696)	3,368,552	1,903,324	1,481,084	3,355,314	(2,441,327)
Gross benefit payments	(1,202,422)	(1,354,906)	(1,123,714)	(989,843)	(818,792)	(760,990)	(643,242)	(569,033)
Member contributions	138,840	141,629	102,075	84,118	65,941	70,000	82,365	73,037
Net change in total OPEB liability	4,502,045	2,893,692	(4,164,065)	3,249,257	9,441,511	(2,014,824)	(3,735,772)	(4,129,805)
Total OPEB liability, July 1	33,786,981	30,893,289	35,057,354	31,808,097	22,366,586	24,381,410	28,117,182	32,246,987
Total OPEB liability, June 30	\$ 38,289,026	\$ 33,786,981	\$ 30,893,289	\$ 35,057,354	\$ 31,808,097	\$ 22,366,586	\$ 24,381,410	\$ 28,117,182
Plan fiduciary net position								
Employer contributions	1,004,321	1,105,088	835,707	704,787	575,022	631,655	724,287	592,734
Member contributions	138,840	141,629	102,075	84,118	65,941	70,000	82,365	73,037
Net investment income	(3,530)	4,543	453	391	5,020	7,812	3,540	1,078
Changes in proportion	13,079	(20,490)	(1,120)	30,662	37,622	29,207	34,685	(16,789)
Gross benefit payments	(1,202,422)	(1,354,906)	(1,123,714)	(989,843)	(818,792)	(760,990)	(643,242)	(569,033)
Administrative expenses	(23,988)	(28,630)	(23,681)	(22,014)	(17,410)	(15,341)	(12,510)	(12,123)
Net change in plan fiduciary net position	(73,700)	(152,766)	(210,280)	(191,899)	(152,597)	(37,657)	189,125	68,904
Plan fiduciary net position, July 1	(265,408)	(112,642)	97,638	289,537	442,134	479,791	290,666	221,762
Plan fiduciary net position, June 30	\$ (339,108)	\$ (265,408)	\$ (112,642)	\$ 97,638	\$ 289,537	\$ 442,134	\$ 479,791	\$ 290,666
Net OPEB liability, June 30	\$ 38,628,134	\$ 34,052,389	\$ 31,005,931	\$ 34,959,716	\$ 31,518,560	\$ 21,924,452	\$ 23,901,619	\$ 27,826,516
Authority's covered employee payroll	\$ 10,757,390	\$ 10,245,141	\$ 9,757,278	\$ 9,292,646	\$ 8,621,452	\$ 7,950,258	\$ 7,521,365	\$ 6,939,823
Total OPEB Liability as a percentage of covered employee payroll	359.08%	332.38%	317.77%	376.21%	365.58%	275.77%	317.78%	400.97%

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

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

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>Public Employees' Retirement System</u>	<u>State Health Benefit Retired Employees OPEB Plan</u>
Change in benefits	None	None
Changes in assumptions:		
Discount rate:		
As of June 30, 2024	7.00%	3.93%
As of June 30, 2023	7.00%	3.54%
Inflation rate:		
As of June 30, 2024	2.75%	0.00%
As of June 30, 2023	2.75%	0.00%
Long-term expected rate of return on pension plan investments:		
As of June 30, 2024	7.00%	Not Applicable
As of June 30, 2023	7.00%	Not Applicable

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

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

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)

SINGLE AUDIT SECTION

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

Honorable Chairperson and
Members of the Board of Commissioners
Jersey City Municipal Utilities Authority
Jersey City, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Jersey City Municipal Utilities Authority (the “Authority”), a component unit of the City of Jersey City, New Jersey, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated February 12, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing 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 Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free from 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 financial statements. 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.

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

Jersey City Municipal Utilities Authority Response to Findings

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

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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Donohue, Gironde, Doria & Tomkins LLC

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

Secaucus, New Jersey
February 12, 2026

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
NEW JERSEY CIRCULAR LETTER 15-08-OMB**

Honorable Chairperson and
Members of the Board of Commissioners
Jersey City Municipal Utilities Authority
Jersey City, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Jersey City Municipal Utilities Authority’s (the “Authority”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Authority’s major federal and state programs for the year ended December 31, 2024. The Authority’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular Letter 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* (Circular Letter 15-08-OMB). Our responsibilities under those standards, the Uniform Guidance and Circular Letter 15-08-OMB are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Circular Letter 15-08-OMB we:

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

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

Report on Internal Control over Compliance

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

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

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

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

Donohue, Gironda, Doria & Tomkins LLC

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

Secaucus, New Jersey
February 12, 2026

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of The City of Jersey City)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2024

Federal Grantor/ Passed through Grantor/ Program or Cluster Title	FAL Number	State Agency Number	Award Amount	Grant Period		Cash Received	Expenditures	Cummulative Expenditures
				From	To			
U.S. Environmental Protection Agency:								
Passed through New Jersey Department of Environmental Protection:								
Capitalization Grants for Clean Water State Revolving Funds	66.458	S-340928-24	\$ 93,750,000	01/01/20	Completion	\$ 3,141,130	\$ -	\$ 90,321,604
Capitalization Grants for Clean Water State Revolving Funds	66.458	S-340928-37	1,302,709	01/01/24	Completion	130,023	251,844	251,844
Capitalization Grants for Clean Water State Revolving Funds	66.458	S-340928-37-PF	10,421,670	01/01/24	Completion	1,040,182	2,014,753	2,014,753
Capitalization Grants for Clean Water State Revolving Funds	66.458	S-340928-40	2,370,183	01/01/23	Completion	113,912	-	2,159,487
						<u>4,425,247</u>	<u>2,266,597</u>	
Capitalization Grants for Drinking Water State Revolving Funds	66.468	W-0906001-024	4,207,395	01/01/24	Completion	1,454,030	2,152,055	2,152,055
Capitalization Grants for Drinking Water State Revolving Funds	66.468	W-0906001-025	12,376,237	01/01/20	Completion	607,684	607,684	8,251,713
Capitalization Grants for Drinking Water State Revolving Funds	66.468	W-0906001-035	8,320,931	01/01/23	Completion	1,440,123	2,949,125	5,508,355
Capitalization Grants for Drinking Water State Revolving Funds	66.468	W-0906001-035-PF	9,879,657	01/01/23	Completion	2,880,246	3,813,545	5,465,528
						<u>6,382,083</u>	<u>9,522,409</u>	
Total U.S. Environmental Protection Agency						<u>10,807,330</u>	<u>11,789,006</u>	
U.S. Department of Homeland Security:								
Federal Emergency Management Agency (FEMA):								
Public Assistance Grant (Hurricane IDA)	97.036	N/A	16,002,483	01/01/21	Completion	<u>9,692,400</u>	<u>9,692,400</u>	13,714,771
Total U.S. Department of Homeland Security						<u>9,692,400</u>	<u>9,692,400</u>	
Total Federal Awards						<u>\$ 20,499,730</u>	<u>\$ 21,481,406</u>	

* No expenditures were passed through to sub-recipients.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of The City of Jersey City)
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR YEAR ENDED DECEMBER 31, 2024

State of New Jersey Grantor/ Program or Cluster Title	State Agency Number	Award Amount	Grant Period		Cash Received	Expenditures	Cumulative Expenditures
			From	To			
Department of Environmental Protection:							
NJ Environmental Infrastructure Bank Financing Program:							
State Capitalization Grant for Clean Water Projects	S-340928-21	\$ 2,763,285	01/01/19	Completion	\$ 893,515	\$ -	\$ 1,185,531
State Capitalization Grant for Clean Water Projects	S-340928-24	31,250,000	01/01/20	Completion	3,141,129	-	16,342,002
State Capitalization Grant for Clean Water Projects	S-340928-37	1,302,709	01/01/24	Completion	130,023	251,844	251,844
State Capitalization Grant for Clean Water Projects	S-340928-40	1,580,122	01/01/23	Completion	113,912	-	719,829
					<u>4,278,579</u>	<u>251,844</u>	
State Capitalization Grant for Drinking Water Projects	W-0906001-021	4,950,495	01/01/19	Completion	315,904	-	3,591,629
State Capitalization Grant for Drinking Water Projects	W-0906001-024	1,402,465	01/01/24	Completion	484,677	717,351	717,351
State Capitalization Grant for Drinking Water Projects	W-0906001-025	12,376,238	01/01/20	Completion	607,683	607,683	9,873,438
State Capitalization Grant for Drinking Water Projects	W-0906001-035	5,487,115	01/01/23	Completion	1,440,123	2,949,127	3,802,204
					<u>2,848,387</u>	<u>4,274,161</u>	
Total Department of Environmental Protection					<u>7,126,966</u>	<u>4,526,005</u>	
Total State Financial Assistance					<u>\$ 7,126,966</u>	<u>\$ 4,526,005</u>	

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

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR YEAR ENDED DECEMBER 31, 2024**

NOTE 1. GENERAL

The Jersey City Municipal Utilities Authority (the “Authority”) is the recipient of various federal and state grant funds. The Authority has the responsibility to administer grant programs and report to grantor agencies. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. FUNDS PASSED THROUGH TO SUBRECIPIENTS

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

NOTE 5. CONTINGENCIES

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

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR YEAR ENDED DECEMBER 31, 2024**

Section I - Summary of Auditor's Results

FINANCIAL STATEMENT SECTION

- A) Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP: Unmodified
- B) Internal Control over Financial Reporting:
- 1) Material weakness(es) identified? Yes ✓ No
 - 2) Significant deficiency(ies) identified? ✓ Yes None reported
- C) Noncompliance material to basic financial statements noted? Yes ✓ No

FEDERAL AWARDS SECTION

- D) Internal Control over major federal programs:
- 1) Material weakness(es) identified? Yes ✓ No
 - 2) Significant deficiency(ies) identified? Yes ✓ None reported
- E) Type of auditor's report issued on compliance for major federal programs Unmodified
- F) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes ✓ No

G) Identification of major federal programs:

FAL Number(s)	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
97.036	Federal Emergency Management Agency (FEMA): Public Assistance Grant (Hurricane IDA)

- H) Dollar threshold used to distinguish between Type A and Type B Programs. \$750,000
- I) Auditee qualified as low-risk auditee? Yes ✓ No

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR YEAR ENDED DECEMBER 31, 2024**

Section I - Summary of Auditor's Results

STATE FINANCIAL ASSISTANCE SECTION

J) Dollar threshold used to distinguish between Type A and Type B Programs.		<u>\$750,000</u>
K) Auditee qualified as low-risk auditee?	<u> </u> Yes	<u> ✓ </u> No
L) Internal Control over major state programs:		
1) Material weakness(es) identified?	<u> </u> Yes	<u> ✓ </u> No
2) Significant deficiency(ies) identified?	<u> </u> Yes	<u> ✓ </u> None reported
M) Type of auditor's report issued on compliance for major state programs:		<u>Unmodified</u>
N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended?	<u> </u> Yes	<u> ✓ </u> No
O) Identification of major state programs:		

State Grant/Project Number(s)

Name of State Program

S-340928	NJ Environmental Infrastructure Bank Financing Program: State Capitalization Grants for Clean Water Projects
W0906001	State Capitalization Grants for Drinking Water Projects

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR YEAR ENDED DECEMBER 31, 2024**

Section II – Financial Statement Findings

(This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.)

Finding 2024-001

Significant Deficiency in Internal Control over Financial Reporting

Condition:

The Authority has contracted Veolia to bill and collect sewer, water, including bulk water, and solid waste and recyclable material fees. Veolia is responsible for the entire billing and collection process, and for reporting the results of the billing and collection efforts to the Authority, as well as transferring all cash collected to the Authority. Partial payments made by customers are applied to outstanding balances in the following order: sewer, solid waste, and water, and not on a pro rata basis according to the outstanding sewer, solid waste, and water balances. This practice distorts the sewer, solid waste and water receivable balances, the calculation of the respective collection rates, and the determination of the necessary respective allowances for doubtful accounts. This finding is repeated from the prior year.

Criteria:

The Authority is responsible for ensuring third-party billing and collection provider has established sufficient internal controls and procedures to accurately process and report the Authority's financial transactions.

Cause:

The Authority is not providing sufficient oversight of its contract with third-party billing and collection provider by not requiring that partial payments be applied on a pro rata basis according to the outstanding, sewer, solid waste, and water balances.

Effect:

The Authority is not accurately applying collections and reporting receivable balances among sewer, solid waste, and water services, whereby a significant misstatement may not be prevented, or detected and corrected, on a timely basis

Recommendation:

The Authority should include in contract specifications for third-party billing and collection services a requirement that partial payments be applied on a pro rata basis according to the outstanding, sewer, solid waste, and water balances.

Views of Responsible Officials and Planned Corrective Actions:

The Authority has met with third-party billing and collection provider, Veolia, and were advised that a pro rata basis allocation of payments in place of the current hierarchy method cannot be done without increased programming and administering costs. The Authority is reviewing most practical and cost-effective manner to implement the programming and procedures.

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR YEAR ENDED DECEMBER 31, 2024**

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

(This section identifies audit findings required to be reported by the 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08.)

FEDERAL AWARDS SECTION

No matters were reported.

STATE FINANCIAL ASSISTANCE SECTION

No matters were reported.

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND
QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR YEAR ENDED DECEMBER 31, 2024**

(This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (§.511 (a)(b)) and New Jersey OMB Circular 15-08, as applicable.)

Status of Prior Year Findings

FINANCIAL STATEMENT SECTION

Finding 2023-001

Material Weakness in Internal Control over Financial Reporting

Condition:

The Authority has contracted with Veolia to bill and collect sewer, water, including bulk water, and solid waste and recyclable material fees. Veolia is responsible for the entire billing and collection process, and for reporting the results of the billing and collection efforts to the Authority, as well as transferring all cash collected to the Authority. Partial payments made by customers are applied to outstanding balances in the following order: sewer, solid waste, and water, and not on a pro rata basis according to the outstanding sewer, solid waste, and water balances. This practice distorts the sewer, solid waste and water receivable balances, the calculation of the respective collection rates, and the determination of the necessary respective allowances for doubtful accounts.

Current Year Status:

This finding was not resolved in the current year, but is being reported as a significant deficiency in internal controls over financial reporting.

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)

SUPPLEMENTARY INFORMATION

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SCHEDULE OF OPERATING REVENUE AND COSTS FUNDED
BY OPERATING REVENUE COMPARED TO BUDGET
WATER FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Adopted Budget	Budget as Amended	Realized	Excess/ (Deficit)	Prior Year Actual
Revenues:					
Operating Revenues:					
Service Charges	\$ 50,652,000	\$ 50,652,000	\$ 62,135,060	\$ 11,483,060	\$ 60,330,766
Connection Fees	1,605,000	1,605,000	1,285,059	(319,941)	1,727,656
Sale of Bulk Water	11,635,120	11,635,120	13,286,887	1,651,767	12,037,846
Meter Fines	12,984,000	12,984,000	7,220,748	(5,763,252)	5,546,030
Other Revenues	220,000	220,000	2,742,342	2,522,342	2,774,480
Non Operating Revenues:					
Interest on Delinquent Payments	1,100,000	1,100,000	907,196	(192,804)	1,299,128
Interest on Investments	735,000	735,000	2,381,607	1,646,607	1,031,640
Total Revenues	<u>\$ 78,931,120</u>	<u>\$ 78,931,120</u>	<u>\$ 89,958,899</u>	<u>\$ 11,027,779</u>	<u>\$ 84,747,546</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SCHEDULE OF OPERATING REVENUE AND COSTS FUNDED
BY OPERATING REVENUE COMPARED TO BUDGET
WATER FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Adopted Budget	Budget as Amended	Paid or Charged	Excess/ (Deficit)	Prior Year Actual
Operating Appropriations:					
Administration:					
Salaries and Wages	\$ 1,989,596	\$ 1,989,596	\$ 1,839,105	\$ 150,491	\$ 1,560,812
Fringe Benefits	667,024	667,024	668,974	(1,950)	575,804
Other Expenses	3,939,170	3,939,170	3,387,514	551,656	430,046
Total Administration	<u>6,595,790</u>	<u>6,595,790</u>	<u>5,895,593</u>	<u>700,197</u>	<u>2,566,662</u>
Cost of Providing Services:					
City of Jersey City Franchise Fee	22,440,000	22,440,000	23,000,000	(560,000)	22,000,000
Veolia Water Base Contract	17,292,758	17,292,758	16,595,263	697,495	15,338,356
Rockaway Valley Regional Sewerage	4,005,000	4,005,000	4,005,012	(12)	4,480,214
Property Taxes	980,000	980,000	912,354	67,646	890,114
Engineering	4,730,000	4,730,000	2,090,000	2,640,000	1,540,013
Utilities	660,000	660,000	995,941	(335,941)	-
Other Expenses	430,000	430,000	458,405	(28,405)	1,348,437
Total Cost of Providing Services	<u>50,537,758</u>	<u>50,537,758</u>	<u>48,056,975</u>	<u>2,480,783</u>	<u>45,597,134</u>
Principal Payments on Debt Service	8,249,143	8,249,143	7,819,196	429,947	7,122,596
Total Operating Appropriations	<u>65,382,691</u>	<u>65,382,691</u>	<u>61,771,764</u>	<u>3,610,927</u>	<u>55,286,392</u>
Non-Operating Appropriations:					
Interest Payments on Debt Service	3,738,397	3,738,397	6,647,354	(2,908,957)	3,373,175
Operations and Maintenance Reserve	4,675,000	4,675,000	2,677,235	1,997,765	1,120,321
Bad Debt Expense	-	-	-	-	2,773,015
Renewal and Replacement Reserve	5,135,032	5,135,032	2,901,773	2,233,259	3,117,448
Unrestricted Net Position Appropriations	-	-	2,750,000	(2,750,000)	2,750,000
Total Non-Operating Appropriations	<u>13,548,429</u>	<u>13,548,429</u>	<u>14,976,362.00</u>	<u>(1,427,933)</u>	<u>13,133,959</u>
Total Appropriations	<u>78,931,120</u>	<u>78,931,120</u>	<u>76,748,126</u>	<u>2,182,994</u>	<u>68,420,351</u>
Unrestricted Net Position Utilized	-	-	-	-	-
Total Net Appropriations	<u>\$ 78,931,120</u>	<u>\$ 78,931,120</u>	<u>\$ 76,748,126</u>	<u>\$ 2,182,994</u>	<u>\$ 68,420,351</u>
Reconciliation of Budgetary Basis to GAAP:					
Excess of Revenue over Appropriations			\$ 13,210,773		\$ 16,327,195
City of Jersey City Franchise Fee			23,000,000		22,000,000
Interest Expense on Franchise Agreement			(17,647,691)		(3,565,418)
Principal Payments on Debt Service			7,819,196		7,122,596
Amortization Expense			(8,493,157)		(29,310,303)
Depreciation Expense			(15,910,729)		(12,853,795)
Leasehold Additions			(2,090,000)		(1,540,013)
Amortization of Debt Issue Premiums and Discounts			(110,299)		(39,798)
Net Pension Liability Adjustment			207,119		436,630
Net Other Post-Employment Benefits Liability Adjustment			255,003		1,756,090
Change in Net Position			<u>\$ 240,215</u>		<u>\$ 333,184</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SCHEDULE OF OPERATING REVENUE AND COSTS FUNDED
BY OPERATING REVENUE COMPARED TO BUDGET
SEWER FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Adopted Budget	Budget as Amended	Realized	Excess/ (Deficit)	Prior Year Actual
Revenues:					
Operating Revenues:					
Service Charges - Residential	\$ 65,353,488	\$ 65,353,488	\$ 66,716,610	\$ 1,363,122	\$ 65,303,894
Service Agreements	3,407,000	3,407,000	3,570,631	163,631	6,335,698
Connection Fees	6,500,000	6,500,000	4,026,146	(2,473,854)	8,999,463
Grant Revenue	15,000,000	15,000,000	9,692,399	(5,307,601)	3,657,315
Flaggers Income	9,100,000	9,100,000	7,908,981	(1,191,019)	-
Other Revenues	-	-	3,972,429	3,972,429	2,082,186
Non Operating Revenues:					
Interest on Delinquent Payments Solid Waste	560,000	560,000	436,435	(123,565)	653,936
Interest on Investments	770,000	770,000	2,133,531	1,363,531	1,953,701
Total Revenues	<u>\$ 100,690,488</u>	<u>\$ 100,690,488</u>	<u>\$ 98,457,162</u>	<u>\$ (2,233,326)</u>	<u>\$ 88,986,193</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SCHEDULE OF OPERATING REVENUE AND COSTS FUNDED
BY OPERATING REVENUE COMPARED TO BUDGET
SEWER FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Adopted Budget	Budget as Amended	Paid or Charged	Excess/ (Deficit)	Prior Year Actual
Operating Appropriations:					
Administration:					
Salaries and Wages	\$ 1,914,412	\$ 1,914,412	\$ 2,840,891	\$ (926,479)	\$ 1,498,980
Fringe Benefits	624,773	624,773	1,125,073	(500,300)	760,282
Other Expenses	3,968,659	3,968,659	3,077,958	890,701	5,790,612
Total Administration	<u>6,507,844</u>	<u>6,507,844</u>	<u>7,043,922</u>	<u>(536,078)</u>	<u>8,049,874</u>
Cost of Providing Services:					
Salaries and Wages	15,167,898	15,167,898	13,655,184	1,512,714	11,842,570
Fringe Benefits	6,253,028	6,253,028	6,126,029	126,999	5,023,812
Passaic Valley Sewerage Commission	23,900,000	23,900,000	23,085,128	814,872	22,057,277
Vehicles	2,700,000	2,700,000	537,824	2,162,176	39,862
CSO Nets	336,000	336,000	-	336,000	87,902
Engineering	4,290,000	4,290,000	976,225	3,313,775	385,182
Utilities	1,186,500	1,186,500	995,601	190,899	835,903
Tide Gate	4,285,480	4,285,480	226,688	4,058,792	2,101,060
Hurricane Ida	15,000,000	15,000,000	388,790	14,611,210	-
Other Expenses	1,478,651	1,478,651	-	1,478,651	1,805,404
Total Cost of Providing Services	<u>74,597,557</u>	<u>74,597,557</u>	<u>45,991,469</u>	<u>28,606,088</u>	<u>44,178,972</u>
Principal Payments on Debt Service	<u>6,365,858</u>	<u>6,365,858</u>	<u>7,251,604</u>	<u>(885,746)</u>	<u>6,104,518</u>
Total Operating Appropriations	<u>87,471,259</u>	<u>87,471,259</u>	<u>60,286,995</u>	<u>27,184,264</u>	<u>58,333,364</u>
Non-Operating Appropriations:					
Interest Payments on Debt Service	1,899,725	1,899,725	5,995,095	(4,095,370)	3,961,357
Operations Maintenance Reserve	4,285,480	4,285,480	-	4,285,480	-
Renewal and Replacement Reserve	7,034,024	7,034,024	1,397,954	5,636,070	2,849,633
Total Non-Operating Appropriations	<u>13,219,229</u>	<u>13,219,229</u>	<u>7,393,049</u>	<u>5,826,180</u>	<u>6,810,990</u>
Total Appropriations	<u>\$ 100,690,488</u>	<u>\$ 100,690,488</u>	<u>\$ 67,680,044</u>	<u>\$ 33,010,444</u>	<u>\$ 65,144,354</u>
Reconciliation of Budgetary Basis to GAAP:					
Excess of Revenue over Appropriations			\$ 30,777,118		\$ 23,841,839
Principal Payments on Debt Service			7,251,604		6,104,518
Depreciation Expense			(26,355,122)		(20,532,742)
Amortization of Debt Issue Premiums and Discounts			(429,002)		(80,025)
Net Pension Liability Adjustment			(68,919)		(98,920)
Net Other Post-Employment Benefits Liability Adjustment			(741,644)		(2,582,423)
Change in Net Position			<u>\$ 10,434,035.00</u>		<u>\$ 6,652,247</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SCHEDULE OF OPERATING REVENUE AND COSTS FUNDED
BY OPERATING REVENUE COMPARED TO BUDGET
SOLID WASTE FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Adopted Budget	Budget as Amended	Realized	Excess/ (Deficit)	Prior Year Actual
Revenues:					
Operating Revenues:					
Collection Fees	\$ 19,089,000	\$ 19,089,000	\$ 18,577,579	\$ (511,421)	\$ 16,834,097
Other Revenues	-	-	307,102	307,102	194,098
Non Operating Revenues:					
Penalties	4,086	4,086	143,012	138,926	325,000
Total Revenues	<u>\$ 19,093,086</u>	<u>\$ 19,093,086</u>	<u>\$ 19,027,693</u>	<u>\$ (65,393)</u>	<u>\$ 17,353,195</u>

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
SCHEDULE OF OPERATING REVENUE AND COSTS FUNDED
BY OPERATING REVENUE COMPARED TO BUDGET
SOLID WASTE FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Adopted Budget	Budget as Amended	Paid or Charged	Excess/ (Deficit)	Prior Year Actual
Operating Appropriations:					
Administration:					
Salaries and Wages	\$ 75,184	\$ 75,184	\$ 73,000	\$ 2,184	\$ 110,463
Fringe Benefits	42,251	42,251	41,024	1,227	62,077
Other Expenses	150,240	150,240	145,875	4,365	220,739
Total Administration	<u>267,675</u>	<u>267,675</u>	<u>259,899</u>	<u>7,776</u>	<u>393,279</u>
Cost of Providing Services:					
Solid Waste Contract	16,600,000	16,600,000	15,731,409	868,591	14,890,363
Solid Waste Fee Veolia	1,890,000	1,890,000	195,748	1,694,252	-
Total Cost of Providing Services	<u>18,490,000</u>	<u>18,490,000</u>	<u>15,927,157</u>	<u>2,562,843</u>	<u>14,890,363</u>
Principal Payments on Debt Service		-		-	
Total Operating Appropriations	<u>18,757,675</u>	<u>18,757,675</u>	<u>16,187,056</u>	<u>2,570,619</u>	<u>15,283,642</u>
Non-Operating Appropriations:					
Renewal and Replacement Reserve	335,411	335,411	-	335,411	-
Total Non-Operating Appropriations	<u>335,411</u>	<u>335,411</u>	<u>-</u>	<u>335,411</u>	<u>-</u>
Total Appropriations	<u>\$ 19,093,086</u>	<u>\$ 19,093,086</u>	<u>\$ 16,187,056</u>	<u>\$ 2,906,030</u>	<u>\$ 15,283,642</u>

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the City of Jersey City, New Jersey)
COMMENTS AND RECOMMENDATIONS
FOR YEAR ENDED DECEMBER 31, 2024**

Comment 1:

During 2024, the water budget did not include an appropriation for Unrestricted Net Position Utilized in the amount of \$2,750,000 for monies previously transferred to the City of Jersey City.

Recommendation:

Authority budgets should be amended when it is determined during a budget year that material expenditures will be incurred which were not originally budgeted. The Authority should review its adopted 2025 budget and its introduced 2026 budget to determine if amendments are required for Unrestricted Net Position Utilized, Municipality Appropriation.

Comment 2:

The Authority awarded a contract for proprietary goods and services including cybersecurity equipment, licensing, and support as a professional services contract pursuant to a “non-fair and open” process in accordance with the provision of N.J.S.A. 19:44A-20.1 and without public bidding pursuant to N.J.S.A. 40a:11-5(1)(dd) for \$1,580,060. Payments for such contract exceeded the amount awarded. Furthermore, it could not be determined if goods and services provided are within the scope of N.J.S.A. 40a:11-5(1)(dd) and considered reasonable and necessary.

Recommendation:

The Authority should monitor payments made to contractors and ensure payments are not made in excess of contract amounts. For contracts which are eligible to be awarded through a “non-fair and open” process, the Authority should consider procuring those services through a competitive process to ensure the Authority is selecting the most cost-effective provider based on its various valuation factors.

Comment 3:

The Authority awarded a contract for water infrastructure through competitive bidding where bid specifications include items that appear to be overly general in size and scope, such as “items not listed” for \$1,250,000 with a markup of 10% for a total of \$1,375,000 and “subcontractors” for \$500,000 with a markup of 15% for a total of \$575,000. Any purchases utilizing such general scope may be bypassing a proper competitive bidding process.

Recommendation:

The Authority review the size and scope of items included in bid specifications for adequacy and not include line items considered overly general in size and scope that could bypass a proper competitive bidding process.