

WOODBIDGE REDEVELOPMENT AGENCY
(A component unit of the Township of Woodbridge)
REPORT OF AUDIT
FOR THE FISCAL YEARS ENDED
JUNE 30, 2024 AND 2023

WOODBRIIDGE REDEVELOPMENT AGENCY

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Independent Auditors' Report

**Honorable Chairman and Members
of the Board
Woodbridge Redevelopment Agency
Woodbridge, New Jersey**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Woodbridge Redevelopment Agency (the "Agency"), a component unit of the Township of Woodbridge, as of and for the fiscal years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency as of June 30, 2024 and 2023, and the respective changes in 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and in compliance with the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Our responsibilities under those standards and requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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**Honorable Chairman and Members
of the Board
Woodbridge Redevelopment Agency
Woodbridge, New Jersey**

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, requirements prescribed by the Division and *Government 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 GAAS and *Government Auditing Standards* and the requirements of the Division, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

**Honorable Chairman and Members
of the Board
Woodbridge Redevelopment Agency
Woodbridge, New Jersey**

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary schedule is presented for additional analysis and is not a required part 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 GAAS. In our opinion, the supplementary schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
November 7, 2024



Gary W. Higgins
Certified Public Accountant

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

**WOODBIDGE REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2024**

This section of the Woodbridge Redevelopment Agency's ("Agency") annual financial report presents our discussion and analysis of the Agency's financial performance during the fiscal year ended on June 30, 2024. Please read it in conjunction with the Agency's basic financial statements and accompanying notes.

The purpose of the Agency is to carryout the redevelopment plans of the Township of Woodbridge.

FINANCIAL HIGHLIGHTS

- The Agency's assets exceeded its liabilities at June 30, 2023 by \$3,812,747.
- The Agency's total assets increased by \$1,709,185.
- Operating revenues increased by \$9,398,747.
- Operating expenses increased by \$8,767,039.
- Operating income increased by \$631,708.

OVERVIEW OF FINANCIAL STATEMENTS

This annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Agency is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Enterprise fund financial statements offer short- and long-term financial information about the activities and operations of the Agency. These statements are presented in the Government Accounting Standards Board ("GASB") prescribed manner.

FINANCIAL ANALYSIS OF THE AGENCY

The following is a summary of the Agency's financial position as of June 30, 2024, 2023 and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current Assets	\$ 5,738,996	\$ 4,029,811	\$ 4,261,024
Noncurrent Assets	<u>1,389,500</u>	<u>1,389,500</u>	<u>2,182,712</u>
Total Assets	<u>7,128,496</u>	<u>5,419,311</u>	<u>6,443,736</u>
Current Liabilities	<u>3,315,749</u>	<u>1,764,298</u>	<u>2,247,013</u>
Total Liabilities	<u>3,315,749</u>	<u>1,764,298</u>	<u>2,247,013</u>
Net Position:			
Net Investment in Capital Assets	-	-	793,212
Restricted for Affordable Housing	1,440,987	1,440,272	1,440,627
Restricted for Red Oak Project	209,725	210,189	221,464
Restricted for Acquisition of Property	-	-	520,000
Unrestricted	<u>2,162,035</u>	<u>2,004,552</u>	<u>1,221,420</u>
Total Net Position	<u>\$ 3,812,747</u>	<u>\$ 3,655,013</u>	<u>\$ 4,196,723</u>

**WOODBRIIDGE REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)**

FINANCIAL ANALYSIS OF THE AGENCY (Continued)

The Agency's Net Position increased \$157,734 or 4.3% in fiscal year 2024. Key elements of this change include the net of: i) increase of \$715 in restricted for affordable housing; ii) decrease of \$464 in restricted for Red Oak project and iii) an increase of \$157,483 in unrestricted net position as of June 30, 2024.

Operating Activities – The following table summarizes the revenues, expenses and changes in net position for the fiscal years ended June 30, 2024, 2023 and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
OPERATING REVENUES			
Redevelopers' Reimbursements	\$ 314,971	\$ 223,224	\$ 233,599
Township Contribution	-	800,000	200,000
Township Contribution - Green Oak Project	9,388,826		
Gain on Sale of Property Held for Redevelopment	-	-	227,929
EPEC Greenhouse Project	-	11,425	-
Rail Project Contributions	1,596,874	771,974	3,322,998
Miscellaneous Fees	<u>416,866</u>	<u>512,167</u>	<u>336,500</u>
Total Operating Revenues	<u>11,717,537</u>	<u>2,318,790</u>	<u>4,321,026</u>
OPERATING EXPENSES			
Salaries and Wages	244,248	237,174	237,465
Other Expenses	11,399,573	1,356,403	3,663,668
Disposition of Property Held for Redevelopment	<u>-</u>	<u>1,283,205</u>	<u>-</u>
Total Operating Expenses	<u>11,643,821</u>	<u>2,876,782</u>	<u>3,901,133</u>
OPERATING INCOME (LOSS)	<u>73,716</u>	<u>(557,992)</u>	<u>419,893</u>
NON-OPERATING REVENUES			
Interest Income	<u>84,018</u>	<u>16,282</u>	<u>1,032</u>
Total Non-Operating Revenues	<u>84,018</u>	<u>16,282</u>	<u>1,032</u>
CHANGE IN NET POSITION	157,734	(541,710)	420,925
NET POSITION, BEGINNING OF YEAR	<u>3,655,013</u>	<u>4,196,723</u>	<u>3,775,798</u>
NET POSITION, END OF YEAR	<u>\$ 3,812,747</u>	<u>\$ 3,655,013</u>	<u>\$ 4,196,723</u>

**WOODBIDGE REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2024
(Continued4**

FINANCIAL ANALYSIS OF THE AGENCY (Continued)

Operating Revenues increased \$9,398,747 or 405.3% in fiscal year 2024 mainly due to the net result of the following: i) increased redeveloper reimbursements; ii) decreased Township contributions , iii) decreased miscellaneous fees and other adjustments, iv) decreased EPEC Greenhouse Project revenues, v) increased amounts received for costs associated with the Raritan Center North American Beverage Packing Company, LLC Rail Facility project ("Rail Project") and vi) increased amounts received in association with the Green Oak Project.

Operating Expenses increased \$8,767,039 or 304.8% in fiscal year 2024 mainly due to the net result of the following: i) increased expenses related to the Rail Project, ii) increased costs associated with the Green Oak Project and iii) decrease in the disposition of property held for redevelopment.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Agency had the following capital assets as of June 30, 2024, 2023 and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Construction in Progress	\$ -	\$ -	\$ 430,000
Property Held for Redevelopment	-	-	363,212
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 793,212</u>

Debt

The Agency had no outstanding debt at June 30, 2024, 2023 and 2022.

OTHER FINANCIAL INFORMATION

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Agency has committed itself to financial excellence. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

The budget for the fiscal year ended June 30, 2025 was approved by the Division of Local Government Services and adopted by the Agency.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Township of Woodbridge, New Jersey citizens and redevelopers with a general overview of the Agency's finances to demonstrate the Woodbridge Redevelopment Agency's accountability for the revenues it receives. If you have questions about this report or need additional financial information, contact the office of the Executive Director at One Main Street, Woodbridge, New Jersey 07095.

FINANCIAL STATEMENTS

**WOODBIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF NET POSITION
AS OF JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Unrestricted Current Assets		
Cash and Cash Equivalents	\$ 2,279,585	\$ 2,156,397
Total Unrestricted Current Assets	<u>2,279,585</u>	<u>2,156,397</u>
Restricted Current Assets		
Escrow Account		
Cash and Cash Equivalents	396,715	368,975
Affordable Housing Account		
Cash and Cash Equivalents	51,487	50,772
Red Oak Project Construction Account		
Cash and Cash Equivalents	209,725	210,189
Rail Project Account		
Cash and Cash Equivalents	1,191,233	1,165,088
Intergovernmental Grants Receivable	1,596,874	73,691
Escrow Deposits Receivable	<u>13,377</u>	<u>4,699</u>
Total Restricted Current Assets	<u>3,459,411</u>	<u>1,873,414</u>
Total Current Assets	<u>5,738,996</u>	<u>4,029,811</u>
Noncurrent Assets		
Loans Receivable	<u>1,389,500</u>	<u>1,389,500</u>
Total Noncurrent Assets	<u>1,389,500</u>	<u>1,389,500</u>
Total Assets	<u>\$ 7,128,496</u>	<u>\$ 5,419,311</u>

**WOODBIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF NET POSITION
AS OF JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
LIABILITIES		
Current Liabilities (Payable from Unrestricted Assets)		
Accounts Payable	\$ 23,957	\$ 24,240
Due to the Township of Woodbridge	53	3,229
Unearned Revenue	<u>123,977</u>	<u>123,977</u>
 Total Current Liabilities (Payable from Unrestricted Assets)	 <u>147,987</u>	 <u>151,446</u>
 Current Liabilities (Payable from Restricted Assets)		
Accounts Payable	49,379	8,183
Escrow Deposits Payable	360,185	364,964
Unearned Revenue	-	446,925
Other Liabilities	<u>2,758,198</u>	<u>792,780</u>
 Total Current Liabilities (Payable from Restricted Assets)	 <u>3,167,762</u>	 <u>1,612,852</u>
 Total Liabilities	 <u>3,315,749</u>	 <u>1,764,298</u>
 NET POSITION		
Restricted For:		
Affordable Housing	1,440,987	1,440,272
Red Oak Project	209,725	210,189
Unrestricted	<u>2,162,035</u>	<u>2,004,552</u>
 Total Net Position	 <u>\$ 3,812,747</u>	 <u>\$ 3,655,013</u>

**WOODBIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Redeveloper Reimbursements	\$ 314,971	\$ 223,224
Township Contribution	-	800,000
Township Contribution - Green Oak Project	9,388,826	-
Rail Project Contributions:		
Redeveloper Contribution	-	77,197
Intergovernmental Grant - NJ DOT	1,596,874	694,777
EPEC Greenhouse Project	-	11,425
Miscellaneous Fees	<u>416,866</u>	<u>512,167</u>
 Total Operating Revenues	 <u>11,717,537</u>	 <u>2,318,790</u>
OPERATING EXPENSES		
Salaries and Wages	244,248	237,174
Other Expenses		
Red Oak Project Expenses	5,146	11,825
Green Oak Project Expenses	9,388,826	-
Rail Project Expenses	1,596,874	771,974
Affordable Housing Expenses	-	461
Redeveloper Expenses	314,971	223,224
Miscellaneous	93,756	348,919
Disposition of Property Held for Redevelopment	<u>-</u>	<u>1,283,205</u>
 Total Operating Expenses	 <u>11,643,821</u>	 <u>2,876,782</u>
OPERATING INCOME (LOSS)	 <u>73,716</u>	 <u>(557,992)</u>
NON-OPERATING REVENUES		
Interest Income	<u>84,018</u>	<u>16,282</u>
 Total Non-Operating Revenues	 <u>84,018</u>	 <u>16,282</u>
CHANGE IN NET POSITION	157,734	(541,710)
 Total Net Position, Beginning of Year	 <u>3,655,013</u>	 <u>4,196,723</u>
 Total Net Position, End of Year	 <u>\$ 3,812,747</u>	 <u>\$ 3,655,013</u>

**WOODBIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Redevelopers Reimbursements	\$ 301,514	\$ 238,164
Cash Received from Municipal Contribution	-	800,000
Cash Received from Municipal Contribution - Green Oak Project	9,388,826	-
Cash Received from Intergovernmental Grants	-	946,560
Cash Received from Miscellaneous Fees	412,176	512,167
Cash Paid for Providing Services	(9,764,962)	(1,766,658)
Cash Paid for Employees	<u>(244,248)</u>	<u>(237,174)</u>
Net Cash Provided by Operating Activities	<u>93,306</u>	<u>493,059</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition of Property Held for Redevelopment	<u>-</u>	<u>(489,993)</u>
Net Cash (Used for) Capital Financing Activities	<u>-</u>	<u>(489,993)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	<u>84,018</u>	<u>19,115</u>
Net Cash Provided by Investing Activities	<u>84,018</u>	<u>19,115</u>
Net Increase in Cash and Cash Equivalents	177,324	22,181
Cash and Cash Equivalents, Beginning of Year	<u>3,951,421</u>	<u>3,929,240</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,128,745</u>	<u>\$ 3,951,421</u>
ANALYSIS OF BALANCE AT JUNE 30,		
Unrestricted - Cash and Cash Equivalents	\$2,279,585	\$2,156,397
Restricted - Cash and Cash Equivalents	<u>1,849,160</u>	<u>1,795,024</u>
	<u>\$ 4,128,745</u>	<u>\$ 3,951,421</u>

**WOODBIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 73,716	\$ (557,992)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities		
(Increase) Decrease in Escrow Deposits Receivable	(8,678)	1,611
(Increase) Decrease in Intergovernmental Grants Receivable	(1,523,183)	251,783
Increase in Other Liabilities	1,965,418	-
Decrease in Property Held for Redevelopment	-	1,283,205
Increase (Decrease) in Accounts Payable	40,913	(413,484)
Increase (Decrease) in Escrow Deposits Payable	(4,779)	13,329
(Decrease) in Unearned Revenue	(446,925)	(88,622)
Increase (Decrease) in Due to Township of Woodbridge	<u>(3,176)</u>	<u>3,229</u>
Total Adjustments	<u>19,590</u>	<u>1,051,051</u>
Net Cash Provided by Operating Activities	<u>\$ 93,306</u>	<u>\$ 493,059</u>

NOTES TO FINANCIAL STATEMENTS

**WOODBIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity and Activities

The Woodbridge Redevelopment Agency (the "Agency") is a public body corporate and politic of the State of New Jersey. The Agency was created by Township ordinance pursuant to the provisions of N.J.S.A. 40A:12A-1, et seq., for the purpose of carrying out the redevelopment plans for the Township of Woodbridge. The Agency is empowered to exercise public and essential government functions, including acquisition, condemnation, clearance, renovation and redevelopment of property in designated blighted areas and to carry out redevelopment plans for the Township of Woodbridge.

The Agency is governed by a Board of Commissioners (the "Board") consisting of seven members, who are appointed by the Mayor with the advice and consent of the Township Council. The Board of Commissioners determines policy actions, approves resolutions and selects an executive director to be responsible for the overall operation of the Agency.

On August 5, 1992, the Legislature of the State of New Jersey adopted the Local Redevelopment and Housing Law (NJSA 40A:12A-1 et. seq.) which became effective on a retroactive basis to January 1, 1992. This law requires all redevelopment agencies to be subject to the provisions of the "Local Authorities Fiscal Control Law". As a result of this legislation, the Woodbridge Redevelopment Agency is subject to the laws, rules and regulations promulgated for Authorities in the State of New Jersey and must report to the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

**WOODBIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards

Accounting standards that the Agency is currently reviewing for its potential impact on the financial statements include:

The GASB issued Statement No. 101, “*Compensated Absences*” in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

The GASB Statement No. 102, “*Certain Risk Disclosures*”, provides guidance on disclosures within government financial statements on risks related to a government’s vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending. Under this statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

The GASB Statement No. 103, “*Financial Reporting Model Improvements*”, has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing the government’s accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Agency are organized and operated on the basis of funds. The agency maintains an Enterprise Fund to account for its operations. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related, legal and contractual provisions. A description of the Agency’s fund type it maintains to account for its financial transactions is as follows:

Proprietary Fund Types – This fund type accounts for operations that are organized to be self-supporting and includes Enterprise Funds. An enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the entity has decided that the periodic determination of revenues earned, costs incurred and/or net income is appropriate for management accountability purposes.

The Agency’s financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and

**WOODBRIIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

D. Assets, Liabilities and Net Position

1. **Cash, Cash Equivalents and Investments** – The Agency considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Investments are stated at fair value and are limited by N.J.S.A. 40A:5-15.1.
2. **Restricted Assets** – Certain assets are classified restricted because they are maintained in separate bank accounts and their use is limited as the result of certain agreements entered into between the Agency and third parties.
3. **Receivables** – All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.
4. **Unearned Revenue** – Grant funds and related program income, redeveloper and developer fees received, but not earned at year end, are reported as unearned revenue. Additionally, deposits received from purchases of Agency or Township assets whereby contract requirements are not satisfied as of the date of audit are considered unearned revenue.
5. **Other Liabilities** – Represents the balance due to American Beverage Packers in conjunction with the freight rail project.
6. **Net Position** – In the statement of net position, there are three classes of net position:
 - **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
 - **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.
7. **Use of Estimates** – The preparation of financial statements requires management of the Agency to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**WOODBRIIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Information

An annual operating budget is prepared and adopted each fiscal year by the Agency. The budget is prepared in accordance with the Budget Manual for Local Authorities as promulgated by the Division of Local Government Services which differs in certain respects from accounting principles generally accepted in the United States of America. The Agency may at their discretion modify the budget subsequent to adoption. The legal level of budget control is defined in the Agency as the current budget plus other available funds. Unencumbered appropriations lapse at year-end.

F. Revenue Recognition

The Township's subsidies to the Agency are recognized as operating revenue when they become available in the Township's budget. Grants received are recognized as revenue when the resources are expended for the purpose specified in the grant agreement. Grant funds received and the related program income not yet expended are reported as unearned revenue.

NOTE 2 DEPOSITS AND INVESTMENTS

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2024 and 2023, the book value of the Agency's deposits were \$4,128,745 and \$3,951,421, respectively, and the bank balance of the Agency's cash and deposits amounted to \$4,160,811 and \$3,987,104, respectively.

The Agency's deposits which are displayed on the Statement of Net Position as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2024</u>	<u>2023</u>
Insured		
Restricted	\$2,281,202	\$2,159,831
Unrestricted	<u>1,879,609</u>	<u>1,827,273</u>
	<u>\$4,160,811</u>	<u>\$3,987,104</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Agency does not have a formal policy for custodial credit risk. As of June 30, 2024 and 2023, none of the Agency's bank balances were exposed to custodial credit risk.

**WOODBRIIDGE REDEVELOPMENT AGENCY NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments – The Agency is permitted to invest unrestricted operating funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Agency or bonds or other obligations of the school districts which are part of the Agency or school districts located within the Agency, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1 (8a-8e). As of June 30, 2024 and 2023 the Agency had no outstanding investments.

NOTE 3 LOANS RECEIVABLE

The Agency entered into a loan agreement on December 22, 2017 with Cedar Meadows Housing Association for an amount not to exceed \$2,000,000. As of June 30, 2024 and 2023, the principal amount of the loan outstanding is \$1,389,500 and shall bear no interest. A revised loan agreement for the actual amount has not been prepared. Principal on the loan shall be repaid to the Agency on December 22, 2047. No principal payments are due under this loan prior to December 22, 2047.

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the cost-sharing contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees. Employees of the Woodbridge Redevelopment Agency who are eligible for pension coverage are enrolled in the Township's Public Employees' Retirement System (PERS) pension plan. Therefore, the Agency was not required to directly contribute for normal cost pension contributions.

Financial information pertaining to the pension system is contained in the Township's report of audit.

Post-Retirement Medical Benefits

The Agency currently does not provide employer paid post-retirement medical benefits to its active or retired employees.

NOTE 5 RISK MANAGEMENT

The Agency is exposed to various risks of loss related to general liability, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency is included in the Township of Woodbridge's insurance policy to guard against these events which are intended to provide minimum exposure to the Agency should they occur.

NOTE 6 INTERLOCAL AGREEMENT

The Township of Woodbridge and the Agency have entered into an Interlocal Agreement during 2007 for the purpose of the Township supporting the Agency in various ways to facilitate the Agency's redevelopment efforts. The terms of this Interlocal Agreement shall commence retroactively to January 1, 2007 and shall conclude upon the earlier of (i) termination by the Township in writing to the Agency, or (ii) the Agency determining that it is able to fund its operation and terminating the Agreement.

**WOODBIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 7 OTHER MATTERS

In fiscal year 2013 the Agency received \$2,600,000 from the sale of property held for redevelopment. The proceeds of this sale were utilized to develop affordable housing in connection with the Camel Creek Rehabilitation Plan. In fiscal year 2019 the Township contributed an additional \$1,000,000 toward the Camel Creek Rehabilitation Plan. The cumulative affordable housing expenses incurred by the Agency through the fiscal years ended June 30, 2024 and 2023 for this project was \$3,751,020 and \$3,751,020, respectively.

On April 5, 2016, the Township of Woodbridge and the Agency entered in a Shared Service Agreement related to the administration of the Township's abandoned properties. The Agency shall provide the following services under this agreement: i) identify and inventory abandoned properties located in the Township (referred to as the "Abandoned Property List"); ii) provide any and all notices required by state statute; iii) provide for property inspections and registration of abandoned properties including the collection of fees and penalties; iv) establish rules and procedures governing appeals challenging the inclusion of any property on the Abandoned Property List; v) exercise available legal remedies associated with the Abandoned Property List; and vi) maintain reports, records and accounts of all properties included on the Abandoned Property List.

On April 13, 2018, the Township of Woodbridge, the Agency, the Housing Authority of the Township of Woodbridge and Wick Redevelopment Group Woodbridge, LLC (the "Redeveloper") entered into a redevelopment agreement which included two (2) projects to be constructed by the Redeveloper, one on the Red Oak property and the other on the Stern Tower property. The Red Oak project constructed on the Red Oak property included a 60-unit residential building for the residents of the Stern Tower property. The Stern Tower property was then conveyed by the Agency to the Redeveloper. The Redeveloper then demolished the existing structure on the Stern Tower property and constructed a residential building, consisting of 117 market rate units and 21 affordable housing units and parking. The cumulative expenses incurred by the Agency through the fiscal years ended June 30, 2024 and 2023 for the Red Oak project was \$12,241,295 and \$12,236,149, respectively.

On June 17, 2020, the Agency entered into a grant agreement with the State of New Jersey to receive a grant in the amount of \$7,609,062 which represents 90% of the total projects costs in the amount of \$8,454,513. The grant proceeds are to be utilized for a freight rail project in conjunction with the "Raritan Center North American Beverage Packing Company, LLC Rail Facility" project (referred to as the "Rail Project"). The terms of the grant require the Agency provide 10% in matching funds in the amount of \$845,451. In January, 2021, the Agency entered into a Funding Agreement with American Beverage Packers Urban Renewal, LLC ("American Beverage Packers") to provide the 10% matching funds required under the grant agreement. As of June 30, 2024, American Beverage Packers has provided \$815,094 of the matching funds required to the Agency. The cumulative expenses incurred by the Agency through the fiscal year ended June 30, 2024 for the Rail Project was \$8,150,936.

The Redevelopment Agency ("Agency") has entered into two funding agreements, one with the Woodbridge Housing Authority ("Authority") and one with the Township of Woodbridge ("Township") regarding the Green Oak Project. The Agency has agreed to bear construction costs and expenses related to the project, and will reimburse the Agency for said costs, through the use of Township funds in an amount not to exceed \$13,750,000. The cumulative expenses incurred by the Agency through the fiscal year ended June 30 2024 for the Green Oak Project was \$9,388,826.

NOTE 8 SUBSEQUENT EVENTS

Reviews for events subsequent to the date of the financial statements and through November 7, 2024, the date the financial statements were available for issuance, indicated that no matters for which additional disclosures are required.

SUPPLEMENTARY SCHEDULE

WOODBIDGE REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
BUDGETARY BASIS
(With Comparative Amounts for the Fiscal Year Ended June 30, 2023)

	2024 Modified <u>Budget</u>	2024 <u>Actual</u>	<u>Variance</u>	2023 <u>Actual</u>
OPERATING REVENUES				
Administrative Fees	\$ 326,500	\$ 391,500	\$ 65,000	\$ 479,167
Abandoned Property Registration Fees	25,000	17,500	(7,500)	33,000
Miscellaneous	-	7,866	7,866	-
Redeveloper Contribution	-	-	-	77,197
Township Contribution - Green Oak Project	-	9,388,826	9,388,826	-
Intergovernmental Grant - NJ DOT Rail Project	-	1,596,874	1,596,874	694,777
EPEC Greenhouse Project	-	-	-	11,425
	<u>351,500</u>	<u>11,402,566</u>	<u>11,051,066</u>	<u>1,295,566</u>
NON-OPERATING REVENUES				
Township Contribution - Local Subsidy (A)	150,000	-	(150,000)	800,000
Reserve for Property Held for Redevelopment Funds	450,000	-	(450,000)	-
Interest	1,000	78,621	77,621	15,626
	<u>601,000</u>	<u>78,621</u>	<u>(522,379)</u>	<u>815,626</u>
UNRESTRICTED NET POSITION UTILIZED				
	<u>1,166,400</u>	<u>1,166,400</u>	<u>-</u>	<u>195,302</u>
Total Revenues	<u>2,118,900</u>	<u>12,647,587</u>	<u>10,528,687</u>	<u>2,306,494</u>
OPERATING APPROPRIATIONS				
ADMINISTRATION				
Salaries and Wages	244,400	244,248	152	237,174
Other Expenses	7,500	-	7,500	-
	<u>251,900</u>	<u>244,248</u>	<u>7,652</u>	<u>237,174</u>
COST OF PROVIDING SERVICES				
NJ DOT Rail Project	-	1,596,874	(1,596,874)	771,974
Red Oak Project Expenses	-	9,388,826	(9,388,826)	-
Other Expenses	1,867,000	93,756	1,773,244	348,919
	<u>1,867,000</u>	<u>11,079,456</u>	<u>(9,212,456)</u>	<u>1,120,893</u>
Total Appropriations	<u>2,118,900</u>	<u>11,323,704</u>	<u>(9,204,804)</u>	<u>1,358,067</u>
Budgetary Income (Balance Forward)	<u>\$ -</u>	<u>\$ 1,323,883</u>	<u>\$ 1,323,883</u>	<u>\$ 948,427</u>

(A) The Agency considers this revenue to be an operating revenue for financial reporting purposes.

WOODBIDGE REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
BUDGETARY BASIS
(With Comparative Amounts for the Fiscal Year Ended June 30, 2023)

	2024 Modified <u>Budget</u>	2024 <u>Actual</u>	<u>Variance</u>	2023 <u>Actual</u>
Budgetary Income (Brought Forward)	\$ <u> </u> -	\$ 1,323,883	\$ <u>1,323,883</u>	\$ 948,427
Reconciliation of Budgetary Income to Change in Net Position - GAAP				
Increases to Budgetary Income:				
Redeveloper Reimbursements		314,971		223,224
Interest Earned - Restricted Accounts		5,397		656
Decreases to Budgetary Income:				
Affordable Housing Expenses		-		(461)
Red Oak Project Expenses		(5,146)		(11,825)
Disposition of Property Held for Redevelopment		-		(1,283,205)
Unrestricted Net Position		(1,166,400)		(195,302)
Redeveloper Expenses		<u>(314,971)</u>		<u>(223,224)</u>
Change in Net Position		<u>\$ 157,734</u>		<u>\$ (541,710)</u>

**GOVERNMENT AUDITING STANDARDS REPORT
AND
SINGLE AUDIT SECTION**



**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***

Independent Auditors' Report

**Honorable Chairman and Members
of the Board
Woodbridge Redevelopment Agency
Woodbridge, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements of the Woodbridge Redevelopment Agency ("the Agency") a component unit of the Township of Woodbridge, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated November 7, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Honorable Chairman and Members
of the Board
Woodbridge Redevelopment Agency
Woodbridge, New Jersey

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
November 7, 2024



Gary W. Higgins
Certified Public Accountant



**Report on Compliance for Each Major State
Program and Report on Internal Control Over Compliance and Report on the Schedule of Expenditures
of State Financial Assistance as Required
by NJ OMB Circular 15-08**

Independent Auditors' Report

Honorable Chairman and Members
of the Board
Woodbridge Redevelopment Agency
Woodbridge, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Woodbridge Redevelopment Agency's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on the Agency's major state program for the year ended June 30, 2024. The Agency's major state program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), and the audit requirements of New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

PKF O'CONNOR DAVIES, LLP
300 Tice Blvd., Suite 315, Woodcliff Lake, NJ 07677 | Tel: 201.712.9800. www.pkfod.com

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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 Agency's state program.

Auditors' 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 Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance 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 Agency's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and New Jersey OMB Circular 15-08, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Woodcliff Lake, New Jersey
November 7, 2024

**WOODBIDGE REDEVELOPMENT AGENCY
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>STATE GRANTOR DEPARTMENT & PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>GRANT AWARD AMOUNT</u>	<u>GRANT PERIOD</u>		<u>PROVIDED TO SUBRECIPIENTS</u>	<u>FY24 EXPENDITURES</u>	<u>MEMO CUMULATIVE EXPENDITURES</u>
			<u>FROM</u>	<u>TO</u>			
New Jersey Department of Transportation:							
NJDOT - Freight Rail Assistance Program	6300-480-078-6300-IED-TCAP-7310	\$7,609,062	6/17/2020	6/17/2024	<u>\$ -</u>	<u>\$ 1,596,874</u>	<u>\$ 7,335,842</u>

See Accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**WOODBRIIDGE REDEVELOPMENT AGENCY
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 GENERAL

The accompanying schedule presents the activity of all state financial assistance programs of the Woodbridge Redevelopment Agency. The Agency is defined in Note 1(A) to the Agency's financial statements. All state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedule is prepared and presented using the accrual basis of accounting for proprietary funds as required by accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Agency's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Agency's financial statements. Financial assistance revenues are reported in the Agency's financial statements on a basis of accounting described above as follows:

	<u>State Assistance</u>
Rail Project Contributions:	
New Jersey Department of Transportation	<u>\$ 1,596,874</u>

**WOODBIDGE REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section I – Summary of Auditor’s Results

Financial Statement

Type of auditors' report issued on financial statements: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

State Financial Assistance

Dollar threshold used to distinguish type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ yes X no

Type of auditors' report issued on compliance for major programs: Unmodified

Internal Control over major programs:

1) Material weakness (es) identified? _____ yes X no

2) Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular Letter 15-08? _____ yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
6300-480-078-6300-IED-TCAP-7310	NJDOT - Freight Rail Assistance

**WOODBIDGE REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section II – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

**WOODBRIIDGE REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section III – State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major state programs, as required by New Jersey OMB Circular 15-08.

CURRENT YEAR STATE FINANCIAL ASSISTANCE

There are none.

ROSTER OF OFFICIALS
AND
GENERAL COMMENTS AND RECOMMENDATIONS

ROSTER OF OFFICIALS

JUNE 30, 2024

<u>Name</u>	<u>Title</u>
Henry Haidacher	Chairperson
Robert Gillespie	Vice-Chairperson
John Ur	Commissioner
Cory S. Spillar	Commissioner
Brian Small	Commissioner
Vincent Coughlin	Commissioner
Phil Clermont	Commissioner
John E. McCormac	Mayor
Caroline Ehrlich	Executive Director
Marta Darden	Director of Planning
Rose Ruvolo	Chief Accountant
Heather LaMotta	Deputy Executive Director

COMMENTS/RECOMMENDATIONS

There are none.

Appreciation

We desire to express our appreciation of the assistance of the Executive Director, the Deputy Executive Director and Agency staff during the course of our audit.

Respectfully submitted,

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Certified Public Accountants