

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

December 31, 2024

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Chair and Members of
the New Jersey Sports and Exposition Authority
Lyndhurst, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the New Jersey Sports and Exposition Authority (a component unit of the State of New Jersey) (the "Authority") as of and for the year ended December 31, 2024, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above, except for the effects of any potential adjustments pertaining to the matters described in the Basis for Qualified Opinion on Business-type Activities and Sports Complex Enterprise Fund section of our report, present fairly, in all material respects, the respective financial position of the Authority as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion on Business-type Activities and Sports Complex Enterprise Fund

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

In March 2015, management elected to close the operations of its 20,000 seat entertainment arena located in East Rutherford, New Jersey. This closure is considered a significant and unexpected decline in service utility which was not part of the expected normal life cycle. Under accounting principles generally accepted in the United States of America, this change requires the arena to be reported at the lower of carrying value or fair value.

Management has chosen not to provide a fair value measurement of the arena from March 2015 through the date of these financial statements. Therefore, the amount of an impairment loss, if any, cannot be determined. The financial impact of an impairment loss, if one is required, would reduce the carrying amount of fixed assets and net position. Additionally, any impairment loss would increase or decrease the beginning net position.

The carrying value of the arena has been reclassified to show it has become a non-performing asset.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Certain qualified employees of the Authority are enrolled in various union sponsored pension plans. In accordance with Governmental Accounting Standards Board ("GASB"), Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, the Authority is required to disclose certain information in the notes to financial statements related to each of these union sponsored pension plans. Management has decided not to fully implement this standard due to lack of availability of required information by these union sponsored pension plans. This does not have any financial impact on the Authority's net position.

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 statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 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*, 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- 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, schedule of revenues, expenditures and changes in fund balance - budget versus actual, schedule of the Authority's proportionate share of the net pension liability - public employees retirement system, schedule of contributions - public employees retirement system, and schedule of contributions - other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2025, 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 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 Authority'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 Authority's internal control over financial reporting and compliance.

Mercadion, P.C.

Certified Public Accountants

November 25, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2024

Introduction to the Annual Report

This annual report consists of four parts: Management's Discussion and Analysis ("MD&A"), Financial Statements, Notes to the Financial Statements, and Required Supplementary Information.

Management's Discussion and Analysis:

- This section of the New Jersey Sports and Exposition Authority's ("Authority" or "NJSEA"), a component unit of the State of New Jersey, financial statements presents an overview of the Authority's financial performance for the year ended December 31, 2024. It provides an assessment of how the Authority's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the Authority's overall financial position. It may contain opinions, assumptions or conclusions by the Authority's management that should not be considered a replacement for, and must be read in conjunction with, the other financial statements described below.

The Financial Statements include:

- The Statement of Net Position, which provides information about the nature and amounts of resources with present service capacity that the Authority presently controls (assets), consumption of net position by the Authority that is applicable to a future reporting period (deferred outflow of resources), presents obligations to sacrifice resources that the Authority has little or no discretion to avoid (liabilities), and acquisition of net position by the Authority that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position.
- The Statement of Net Activities which accounts for all of the current year's revenues and expenses measures the Authority's operations over the past year and can be used to determine how the Authority has funded its costs.
- The Statement of Cash Flows, reported for its enterprise funds which provide information about the Authority's cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities.
- The Statement of Fiduciary Net Position – Fiduciary Funds provides information about the financial relationships in which the Authority acts as trustee for the benefit of parties outside of NJSEA operations.

The Notes to the Financial Statements provide:

- Information that is essential to understanding the financial statements, such as the Authority's accounting methods and policies.
- Details of contractual obligations, future commitments and contingencies of the Authority.
- Any other events or developing situations that could materially affect the Authority's financial position.

The Required Supplementary Information presents information regarding the Authority's budget versus actual results, the Authority's proportionate share of the net pension liability and employer contributions-PERS, and schedule of Authority contributions-OPEB.

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2024

The Authority's Business

The Authority is engaged in the business of owning and maintaining entertainment, convention and environmental facilities throughout the State of New Jersey (the "State"). It was created as an instrument of the State not only for the purpose of generating revenues from these activities, but also to generate sales tax revenues and provide economic stimulus to the regions surrounding the facilities. The Authority's roles also include maintaining closed landfills, preserving the environment, establishing and enforcing the zoning and subdivision regulations of the Meadowlands District and the enforcement of New Jersey's Uniform Construction Code.

Below is a description of the Authority's operations:

The Meadowlands Sports Complex - East Rutherford, New Jersey

New Meadowlands Racetrack - on December 19, 2011, NJSEA and New Meadowlands Racetrack, LLC ("NMR") entered into a 30-year lease agreement for full operational control of the Meadowlands Racetrack, the development of 4 Off-Track Wagering ("OTW") sites and the transfer of a 35% interest in Account Wagering. The lease has two renewal options for a further 10-year period at its conclusion. On November 23, 2013, NMR moved its operations to a newly constructed grandstand facility opposite the original grandstand. The original grandstand was fully demolished in 2022 and the area where the original grandstand once stood is now a parking lot.

Meadowlands Arena (the Arena) - is a 20,000-seat indoor arena with 28 private suites, containing approximately 466 seats. In April 2015 the NJSEA closed the Arena for public events. The Arena is currently being used as a location for private rehearsals by acts preparing to go on tour and as a soundstage for television program production.

American Dream Retail and Entertainment Complex – is a multi-use attraction consisting of approximately 2.9 million square feet of gross leasable space containing entertainment, restaurant and ancillary retail components. On June 30, 2005, the Authority entered into a ground lease and related project agreements for development of the original project, approximately 104 acres at the Meadowlands Sports Complex.

The Authority received pre-payments of ground rent through 2019 in the amount of \$160,000,000. In 2005, the Authority used \$26,800,000 of the prepaid ground rent to purchase the wetland mitigation bank rights on the Empire Tract. The Authority also used \$37,190,000 to defease tax- exempt bonds attributable to the Project site. Expenses associated with the project that were previously deferred were expensed in 2005. For generally accepted accounting principles ("GAAP") purposes, revenue related to the upfront payment was recognized over 18 years, starting in 2001 and ending in 2019.

The first stage of the complex's opening occurred October 25, 2019, with the opening of the Nickelodeon Universe Theme Park and The Rink, an NHL regulation size ice rink. The second stage of the opening occurred on December 5, 2019, with the opening of Big Snow, the indoor ski and snowboard resort. The third stage of the opening which included DreamWorks Water Park, Sea Life Aquarium, and Retail Shops were scheduled to open in the spring of 2020, but delayed due to the Covid-19 Pandemic. DreamWorks Water Park and selected retail shops opened on October 1, 2020. Sea Life Aquarium, Legoland and additional retail shops opened in 2021.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2024

The Authority's Business (Continued)

The Meadowlands Sports Complex - East Rutherford, New Jersey (Continued)

Other - Additionally, the Sports Complex generates revenues from events such as outdoor markets held in the Complex's parking lots.

Monmouth Park Racetrack - Oceanport, New Jersey

Monmouth Park Racetrack consists of a one-mile oval track for thoroughbred racing, grandstand, and clubhouse seating for 18,000 spectators, 68 luxury open-air boxes and parking for 14,000 vehicles. Support facilities include 40 barns for 1,550 horses. Its revenues are generated from commissions on live and simulcast pari-mutuel wagering, parking, admissions, program and concessions sales.

On February 29, 2012, the Authority and the New Jersey Thoroughbred Horsemen's Association, Inc. ("NJTHA") executed an up to 35-year lease to operate the Monmouth Park Racetrack. The agreement included a 35% interest in account wagering and the rights to build and operate an additional five OTW facilities. The NJTHA took full operational control on May 3, 2012.

On June 5, 2012, the NJTHA entered into an agreement with Darby Development, LLC to manage the day-to-day operations of the Racetrack, the development and capital improvements on the Racetrack site, the off-track wagering operations, the account wagering operations, and the sports betting operations.

On August 27, 2024, subsequent to the NJTHA submitting a request to NJSEA, the NJTHA transferred all Tenant's right, title and interest including all assets and liabilities of the original lease agreement between the NJSEA and NJTHA to Darby Development, LLC, and following the NJSEA and Darby Development, LLC, entered into an amended and restated lease agreement to operate the Racetrack.

New Jersey Account Wagering System (4NJBets)

The Authority is the sole licensee of the State's Account Wagering operations, which began in October of 2004 as a joint venture with New Jersey Account Wagering, LLC for the purpose of implementing an account wagering system in the State. The system allows account holders to make wagers through an internet connection or an automated telephone system. In 2012, the Authority entered into a management agreement with Darby Development, LLC ("Darby"), to manage the daily activities of the account wagering operations on the Authority's behalf. The Authority remains the account wagering licensee and retains a majority position on the operating board. As part of the racetrack ground leases, the Authority's 70% financial interest in Account Wagering was transferred in equal shares to NMR (the Meadowlands operator) and to the NJTHA (the Monmouth Park operator), less 5% retained by the Authority.

The Greater Wildwoods Convention Center - Wildwood, New Jersey

The Greater Wildwoods Convention Center (the "Center") is a facility situated on the boardwalk in Wildwood, New Jersey, consisting of a 72,000 square foot exhibition floor and parking for 700 vehicles. Rental of the space for trade shows, concerts, conventions, and meetings comprise the Center's revenues.

Other - The towns of Wildwood, North Wildwood, and Wildwood Crest impose a tourism tax on retail sales. A portion of these revenues is provided to the Authority to operate, maintain and promote the Center.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2024

The Authority's Business (Continued)

Solid Waste

The *Solid Waste* division covers several aspects of the NJSEA's statutory mandates, including maintaining several closed landfills, preserving the environment and conducting field studies. The Solid Waste division also leases a trash-transfer station in North Arlington and a vegetative waste disposal site in Kearny.

Meadowlands Research and Restoration Institute

The Meadowlands Research and Restoration Institute was created to protect the delicate balance of nature in the Meadowlands by conserving and restoring the Meadowlands' natural resources for current and future generations using innovative approaches and solutions based in science, collaboration and respect for all the communities and interests involved.

Land Use Management

The *Land Use Management* division is organized into two groups. One group is responsible for establishing and enforcing the zoning and subdivision regulations of the Meadowlands District. The second group is responsible for enforcing New Jersey's Uniform Construction Code. Together, they preside over the primary land use regulations that govern the 30.4 square-mile Meadowlands District. Redevelopment plans and changes to properties are all reviewed by this department to conform to the Meadowlands Master Plan, its underpinning regulations, and statewide regulations to ensure orderly development.

Other

The NJSEA also provides environmental science programs to school children through a partnership with the Ramapo College Foundation.

Financial Analysis

The following sections will discuss the Authority's Financial Position for 2024. Additionally, an examination of major economic factors and industry trends that have contributed to the Authority's operations is provided. It should be noted that for purposes of this MD&A, summaries of the financial statements and the various exhibits presented include information from the Authority's financial statements, which are prepared in accordance with GAAP.

Highlights (2024)

Total business-type operating revenues were \$18.4M in 2024, which related entirely to the Sports & Entertainment Facilities. Total business-type operating expenses (before depreciation and amortization) were \$45.4M for the year; of which \$41.1M were associated with Sports & Entertainment Facilities, and \$4.3 related to other Solid Waste operations.

Financial Summaries

The following tables provide a condensed summary and basic explanation of the changes in the financial statements described above, which are also presented in full detail in this annual report.

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2024

Condensed Statements of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ (30,283,429)	\$ (17,693,409)	\$ 137,884,670	\$ 105,764,300	\$ 107,601,241	\$ 88,070,891
Investment in Facilities	23,097,122	23,479,249	220,366,978	221,292,567	243,464,100	244,771,816
Non-Current Assets	13,102,623	14,027,855	226,979,574	223,221,488	240,082,197	237,249,343
	5,916,316	19,813,695	585,231,222	550,278,355	591,147,538	570,092,050
Deferred Outflows of Resources	13,787,866	12,591,146	6,912,223	6,280,416	20,700,089	18,871,562
Current and Other Liabilities	2,087,400	1,271,582	9,643,176	8,365,300	11,730,576	9,636,882
Long-Term Liabilities	39,424,516	35,170,021	46,625,952	70,919,047	86,050,468	106,089,068
Total Liabilities	41,511,916	36,441,603	56,269,128	79,284,347	97,781,044	115,725,950
Deferred Inflows of Resources	24,527,418	30,089,634	285,474,520	284,883,104	310,001,938	314,972,738
Net Position	\$ (46,335,152)	\$ (34,126,396)	\$ 250,399,797	\$ 192,391,320	\$ 204,064,645	\$ 158,264,924

Condensed Statements of Net Activities

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Operating Revenues and Expenses						
Operating Revenues	\$ 780,432	\$ 1,104,567	\$ 18,378,764	\$ 19,634,616	\$ 19,159,196	\$ 20,739,183
Operating Expenses Excluding Depreciation	(16,636,852)	(16,216,694)	(45,441,098)	(27,100,877)	(62,077,950)	(43,317,571)
Operating Revenues Net of Depreciation and Amortization	(15,856,420)	(15,112,127)	(27,062,334)	(7,466,261)	(42,918,754)	(22,578,388)
Depreciation and Amortization Expense	(676,809)	(639,079)	(4,873,410)	(33,406,118)	(5,550,219)	(34,045,197)
Operating Loss	(16,533,229)	(15,751,207)	(31,935,744)	(40,872,379)	(48,468,973)	(56,623,585)
Non Operating Income and Expenses:						
Luxury Tax, Marketing Fee and Tourism Tax	-	-	6,847,861	6,661,717	6,847,861	6,661,717
State Subsidy	-	-	61,326,000	37,350,000	61,326,000	37,350,000
Interest and Other Income/(Expenses)	4,324,473	19,512,985	21,770,360	23,147,235	26,094,833	42,660,220
Total Non Operating Income	4,324,473	19,512,985	89,944,221	67,158,952	94,268,694	86,671,937
Changes in Net Position	\$ (12,208,756)	\$ 3,761,778	\$ 58,008,477	\$ 26,286,573	\$ 45,799,721	\$ 30,048,352

While the Statements of Net Position show the financial position or net position, the Statements of Net Activities provide answers as to the nature and source of these changes.

Increases in net position consist of:

- Operating revenues, which are the total revenues, generated at all the facilities.
- Marketing fee and tourism tax revenues are funds collected by the State for construction, development, operation and promotion of the Wildwoods Convention Center as well as to repay the debt incurred on these projects.

Decreases in net position consist of:

- Operating expenses, which represent the costs associated with running facilities except for fixed asset acquisitions and capital maintenance costs that are depreciated.
- Depreciation expense, which recognizes the cost of capital assets, such as buildings, equipment

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Condensed Statements of Net Activities (Continued)

and improvements, over the life of the asset, usually between 2 and 60 years.

- Interest expense and other, which is the interest paid and accrued on the Authority's debt net of interest income generated on cash reserves held in cash and short-term investments.
- Other income and expenses, which are not directly related to operations, and often, may be non-recurring in nature.

Economic Conditions

Sports Complex Operations

The Authority has been a leader in the racing industry since opening the Meadowlands Racetrack in 1976 and purchasing the Monmouth Park Racetrack in 1986. Casino gaming, lotteries and the emergence of casinos in surrounding states have adversely affected racing which has operated at a net deficit since 2007. In response, NJSEA began the process of leasing its racing operations to private operators. The transfer of operational control was completed in May of 2012.

On June 20, 2005, the Authority entered into a ground lease and related project agreements for development of what is now the American Dream Project, approximately 104 acres at the Meadowlands Sports Complex. The Authority received pre-payments of ground rent through 2019 in the amount of \$160,000,000. Revenue was realized by amortizing the upfront payment through 2019.

On June 29, 2017, the NJSEA authorized the issuance of Limited Obligation Grant Revenue Bonds in the aggregate principal amount of \$287,000,000 (the "ERGG Bonds"), in order to provide financing for a portion of the costs of developing the American Dream Project. The ERGG Bonds are special limited revenue obligations of the Authority payable from grants received by the Authority pursuant to a State Economic Redevelopment and Growth Incentive Grant Agreement awarded to the developer of the American Dream Project. These bonds were sold to The Public Finance Authority, a unit of Wisconsin government and body corporate and politic separate and distinct from, and independent of, the State of Wisconsin.

On June 29, 2017, the NJSEA authorized the issuance of Limited Obligation PILOT Revenue Bonds in the aggregate principal amount of \$800,000,000 (the "PILOT Bonds"), in order to provide financing for a portion of the costs of developing the American Dream Project. The PILOT Bonds are special limited revenue obligations of the Authority payable from PILOTs received by the Authority pursuant to a Financial Agreement between the developer of the American Dream Project, the Borough of East Rutherford, and the Authority. These bonds were sold to The Public Finance Authority, a unit of Wisconsin government and body corporate and politic separate and distinct from, and independent of, the State of Wisconsin.

On November 20, 2018, the State completed a refunding of NJSEA State Contract Bonds in the aggregate principal amount of \$99,415,000. These bonds are considered conduit debt as permitted under Interpretation No. 2 of the GASB. None of the Authority's revenues, rents, fees, rates, charges or other income and receipts derived by the Authority from its operation or ownership of any of its projects are pledged or assigned to the payment of the principal or redemption price of and interest on such bonds. The State Contract Bonds are paid solely by the State.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Economic Conditions (Continued)

Sports Complex Operations (Continued)

On June 14, 2019, the Authority finalized the sale of the Kingsland Redevelopment Area to Kingsland Development Urban Renewal, LLC. The developers will convert the former landfill site into a six-building industrial complex for e-commerce. The developers also assumed the role of landlord in the lease with Blackstrap Broadcasting, LLC.

On October 25, 2019, the initial phase of the American Dream retail/entertainment complex opened. The opening included the Nickelodeon Universe theme park and the NHL-sized skating rink. The next phase of the opening was the Snow America ski slope, which opened on December 5, 2019. Due to the coronavirus pandemic, the opening of DreamWorks Water Park, Sea Life Aquarium, Legoland, and the retail shops, was delayed to the fall of 2020 and spring of 2021.

Solid Waste

Air Pollution Compliance

On March 22, 2019, NJSEA entered into an Administrative Consent Order ("ACO") with the New Jersey Department of Environmental Protection ("NJDEP") regarding noncompliance with N.J.A.C. 7:27-7.3 at the Keegan Landfill. The noncompliance was regarding emission of Hydrogen Sulfide (H₂S) in a concentration greater than 30 parts per billion by volume (ppbv) over a 30 minute period. The ACO requires NJSEA to take all actions that may be necessary to maintain compliance with the Air Pollution Control Act. As a result of an ACO between NJSEA and NJDEP, the NJSEA has installed a gas collection and monitoring system to remediate the hydrogen sulfide (H₂S) emissions from the landfill.

On May 24, 2019, the Hudson County Superior Court issued an injunction closing the Keegan Landfill. An appellate court reversed the injunction on May 31, 2019, allowing the landfill to reopen. On June 12, 2019, the New Jersey Supreme Court reinstated the decision of the Hudson County Superior Court, closing the landfill until a plenary hearing on July 25, 2019.

On September 30, 2019, the Hudson County Superior Court, Chancery Division issued a ruling on the plenary hearing held on July 25, 2019. On November 1, 2019, the Authority filed a motion for leave to appeal in the Appellate Division to address the mistaken findings of fact and applications of law made by the Chancery Division in the Keegan Landfill matter regarding the landfill closing. It was the opinion of the court that the temporary injunction to close the Keegan Landfill be made final and the landfill be closed permanently. On December 10, 2019, the Appellate Division granted the motion for leave to appeal the permanent injunction issued by the Chancery Division.

On December 19, 2019, the Board of Commissioners of NJSEA approved resolution 2019-48, authorizing the President and CEO to take the necessary steps to settle the matters regarding the Keegan Landfill and the Town of Kearny. The settlement will be in the form of a Judicial Consent Order and will memorialize, among other terms, the permanent closure of the Keegan Landfill.

On March 6, 2020, the Judicial Consent Order memorialized the closing of the Keegan Landfill, among other settlement terms.

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Economic Conditions (Continued)

Solid Waste (Continued)

Pursuant to one of the terms of the Judicial Consent Order, clear cover material was imported into the sight as part of capping and contouring the landfill. The Keegan Landfill stopped accepting cover material on December 31, 2021.

Arena

In April 2015, the NJSEA closed the Arena to public events. The Arena has, more recently, been used as a place for private rehearsals by acts preparing to go on tour and a filming location. This has provided the opportunity to defray some of the costs of operating the facility.

The Greater Wildwoods Convention Center

The Wildwoods Convention Center depends heavily on the number and size of events it can attract and relies on the performance of the tourism industries with which it can coexist. Details of event statistics are presented below.

Wildwoods Convention Center	2024	2023	2022
Number of Event Days	202	209	183
Total Attendance	172,654	172,207	104,098
Net Event Income	\$ 740,441	\$ 650,869	\$ 600,918

Capital Assets

At the end of 2024, the Authority had a net investment in capital assets of \$245,792,342 at a total capital cost of \$610,913,652 net of accumulated depreciation of \$365,121,310 as shown below.

	December 31, 2023	Reclass	Additions	Transfers and Deletions	December 31, 2024
Meadowlands Sports Complex	\$ 413,466,878	\$ -	\$ 4,736,833	\$ (831,506)	\$ 417,372,205
Monmouth Park Racetrack	62,314,429	-	-	-	62,314,429
Wildwoods Convention Center	59,645,866	-	518,160	(47,191)	60,116,835
Lyndhurst	42,804,127	-	401,181	(106,498)	43,098,810
Transportation Planning District	7,929,508	-	-	-	7,929,508
Solid Waste	20,002,296	-	79,569	-	20,081,865
Total Investment in Facilities	606,163,104	-	5,735,743	(985,195)	610,913,652
Less Accumulated Depreciation	(358,534,412)	-	(6,586,898)	-	(365,121,310)
Investment in Facilities Net of Accumulated Depreciation	\$ 247,628,692	\$ -	\$ (851,155)	\$ (985,195)	\$ 245,792,342

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2024

Capital Assets (Continued)

Additions to capital assets in 2024 consisted of normal purchases and improvement of infrastructure, mechanical systems, as well as various safety upgrades. During 2024, transfers and deletions primarily reflected construction in progress being completed and placed into service.

Budgetary Controls

The Authority adopts entity-wide operating and capital plans that are approved by its Board of Commissioners. Budgets are a measure of the Authority's financial performance and accountability and are reviewed and revised, although not formally, throughout the year.

Subsequent Events

See Note Y for information on significant events occurring after December 31, 2024, through the report date.

Conclusion

This section of the Annual Report has been provided to assist readers in getting a general overview of the Authority's business, financial position and fiscal accountability for the funds it generates and receives. If you have questions about any information in this report, you are requested to contact New Jersey Sports and Exposition Authority, Finance Dept., 1 DeKorte Park Plaza, Lyndhurst, NJ 07071.

BASIC FINANCIAL STATEMENTS

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)

STATEMENT OF NET POSITION

December 31, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 41,120,478	\$ 20,740,293	\$ 61,860,771
Receivables, net	542,145	9,755,768	10,297,913
Other Assets	228,336	387,198	615,534
Internal Balances	(81,046,816)	81,046,816	-
Accounts Receivable - Fiduciary Funds	1,242,146	615,634	1,857,780
Leases Receivable-Current	761,654	15,232,175	15,993,829
Capital Assets			
Non Depreciable	20,620,228	117,149,000	137,769,228
Depreciable	2,476,894	103,217,978	105,694,872
Non Current Assets			
Investments	-	2,049,492	2,049,492
Notes Receivable	-	4	4
Other Assets	-	533,000	533,000
Leases Receivable-Noncurrent	13,102,623	224,397,078	237,499,701
Restricted Assets			
Cash	-	38,672	38,672
Investments	6,868,628	10,068,114	16,936,742
TOTAL ASSETS	5,916,316	585,231,222	591,147,538
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	1,512,722	1,063,723	2,576,445
Related to other post-employment benefits	12,275,144	5,848,500	18,123,644
TOTAL DEFERRED OUTFLOWS OF RESOURCES	13,787,866	6,912,223	20,700,089
LIABILITIES			
Accounts Payable and Accrued Liabilities	1,326,402	8,368,468	9,694,870
Accounts Payable - Fiduciary Funds	641,872	928,968	1,570,840
Unearned Revenue	119,126	345,740	464,866
Long-Term Liabilities	39,424,516	46,625,952	86,050,468
TOTAL LIABILITIES	41,511,916	56,269,128	97,781,044
DEFERRED INFLOWS OF RESOURCES			
Related to pension	877,024	524,297	1,401,321
Related to other post-employment benefits	10,896,348	5,191,572	16,087,920
Related to other activities	-	38,965,145	38,965,145
Related to long-term leases	12,754,046	240,793,506	253,547,552
TOTAL DEFERRED INFLOWS OF RESOURCES	24,527,418	285,474,520	310,001,938
NET POSITION			
Net Investment in Capital Assets	23,097,122	218,188,664	241,285,786
Restricted for Statutory Requirements	6,868,628	10,106,786	16,975,414
Unrestricted (deficit)	(76,300,902)	22,104,347	(54,196,555)
TOTAL NET POSITION	\$ (46,335,152)	\$ 250,399,797	\$ 204,064,645

See notes to financial statements.

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)

STATEMENT OF NET ACTIVITIES

Year Ended December 31, 2024

	Program Revenues		Net (Expense) Revenue and Changes in net position		Total
	Expenses	Charges for Services	Governmental Activities	Business-type Activities	
Governmental activities:					
Commission operations	\$ (14,377,515)	\$ 659,271	\$ (13,718,244)	\$ -	\$ (13,718,244)
Environmental center	(1,145,503)	-	(1,145,503)	-	(1,145,503)
MAGNET program	(1,800)	-	(1,800)	-	(1,800)
MRRRI	(1,788,843)	121,161	(1,667,682)	-	(1,667,682)
Total governmental activities	(17,313,661)	780,432	(16,533,229)	-	(16,533,229)
Business-type activities:					
Sports Complex	(45,976,105)	18,378,764	-	(27,597,341)	(27,597,341)
Solid waste	(4,338,403)	-	-	(4,338,403)	(4,338,403)
Total business-type activities	(50,314,508)	18,378,764	-	(31,935,744)	(31,935,744)
Total primary government	\$ (67,628,169)	\$ 19,159,196	\$ (16,533,229)	\$ (31,935,744)	\$ (48,468,973)
General and program revenues:					
Investment earnings			\$ 1,872,925	\$ 1,906,465	\$ 3,779,390
Rental revenue			321,544	-	321,544
Lease amortization and interest revenue			1,641,244	18,849,306	20,490,550
Grant revenue			188,082	-	188,082
Other			250,678	1,014,589	1,265,267
State subsidy			50,000	61,326,000	61,376,000
Tourism Tax			-	6,847,861	6,847,861
Total general and program revenues			4,324,473	89,944,221	94,268,694
Changes in Net Position			(12,208,756)	58,008,477	45,799,721
Net Position - beginning of year			\$ (34,126,396)	\$ 192,391,320	\$ 158,264,924
Net Position - end of year			\$ (46,335,152)	\$ 250,399,797	\$ 204,064,645

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

BALANCE SHEET -GOVERNMENTAL FUNDS

Year Ended December 31, 2024

	General Fund	Environmental Center Fund	MAGNET Fund	MRRF Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 32,520,973	\$ -	\$ 1,446,830	\$ 455,752	\$ -	\$ 34,423,555
Investments	13,518,367	-	34,270	-	12,913	13,565,550
Accounts receivable, net	404,507	-	-	137,638	-	542,145
Due from other funds	121,049	295,829	1,085,015	267,319	11,294	1,780,506
Accounts Receivable - Fiduciary Funds	1,242,146	-	-	-	-	1,242,146
Prepaid Expenditures	225,867	-	-	2,469	-	228,336
Leases Receivable	13,864,278	-	-	-	-	13,864,278
Total Assets	\$ 61,897,187	\$ 295,829	\$ 2,566,115	\$ 863,178	\$ 24,207	\$ 65,646,516
Liabilities						
Accounts payable & accrued liabilities	\$ 1,345,281	\$ 45,024	\$ -	\$ 55,223	\$ -	\$ 1,445,528
Due to other funds	71,034,197	5,826,704	784,063	5,182,358	-	82,827,322
Accounts Payable - Fiduciary Funds	615,355	-	-	26,517	-	641,872
Total Liabilities	72,994,833	5,871,728	784,063	5,264,098	-	84,914,722
Deferred Inflows of Resources						
Related to long-term leases	12,754,046	-	-	-	-	12,754,046
Total Deferred Inflows of Resources	12,754,046	-	-	-	-	12,754,046
Fund Balances						
Restricted for:						
Open Space Acquisition	46,000	-	-	-	-	46,000
Insurance	125,000	-	-	-	-	125,000
Other	55,924	-	-	-	1,000	56,924
Committed to:						
Project Commitments	-	-	500,000	-	-	500,000
Assigned	-	(5,575,899)	1,282,052	-	23,207	(4,270,640)
Unassigned	(24,078,616)	-	-	(4,400,920)	-	(28,479,536)
Total Fund Balances	(23,851,692)	(5,575,899)	1,782,052	(4,400,920)	24,207	(32,022,252)
Total Liabilities, Deferred Inflows & Fund Balances	\$ 61,897,187	\$ 295,829	\$ 2,566,115	\$ 863,178	\$ 24,207	\$ 65,646,516

Amounts reported for governmental funds in the statement of net assets are different because of:

Total Fund Balance	\$ (32,022,252)
Capital Assets Used in governmental activities are not financials and therefore are not reported in the funds	23,097,122
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds	(39,424,516)
Deferred outflows and inflows related to pension and other post-employment benefits are not reported in the funds	2,014,494
Total Governmental Activities Net Position	\$ (46,335,152)

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS

Year Ended December 31, 2024

	General Fund	Environmental Center Fund	MAGNET Fund	MRRRI Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Grant revenue	\$ -	\$ -	\$ -	\$ 188,082	\$ -	\$ 188,082
Rental revenue	321,544	-	-	-	-	321,544
Lease amortization and interest revenue	1,641,244	-	-	-	-	1,641,244
MCT reimbursement for services	230,000	-	-	-	-	230,000
Fee income	659,271	-	-	-	-	659,271
MRRRI Revenues	-	-	-	121,161	-	121,161
Other income	20,677	-	-	-	-	20,677
Interest income	1,808,992	-	54,804	8,482	646	1,872,924
State Subsidy	-	-	-	50,000	-	50,000
Total Revenues	4,681,728	-	54,804	367,725	646	5,104,903
Expenditures:						
Current:						
Authority operations	15,133,587	595,502	-	-	-	15,729,089
Kearny 1-A access agreement	20,000	-	-	-	-	20,000
Ramapo College Partnership	-	550,000	-	-	-	550,000
MRRRI Expenditures	-	-	-	1,697,759	-	1,697,759
MAGNET expenditures	-	-	1,800	-	-	1,800
Other expenditures	-	-	-	91,084	-	91,084
Capital Outlay	294,684	-	-	-	-	294,684
Total Expenditures	15,448,271	1,145,502	1,800	1,788,843	-	18,384,416
Changes in Fund Balances	(10,766,543)	(1,145,502)	53,004	(1,421,118)	646	(13,279,513)
Fund Balance, beginning of year	(13,085,149)	(4,430,397)	1,729,048	(2,979,802)	23,561	(18,742,739)
Fund Balance, end of year	\$ (23,851,692)	\$ (5,575,899)	\$ 1,782,052	\$ (4,400,920)	\$ 24,207	\$ (32,022,252)
Net changes to fund balance - total governmental funds						\$ (13,279,513)
Amounts reported for governmental activities in the statement of net activities are different because of:						
Capital outlays						294,684
Depreciation expense						(676,809)
Compensated absences						(58,833)
Pension expense						349,398
Post-employment healthcare benefits						1,162,317
Change in net position of governmental activities						\$ (12,208,756)

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

December 31, 2024

	Sports Complex Enterprise Fund	Solid Waste Enterprise Fund	Total Enterprise Funds
ASSETS			
Current Assets			
Cash and Investments	\$ 18,555,312	\$ 2,184,981	\$ 20,740,293
Due from State of New Jersey	235,793	-	235,793
Prepaid Expenses	151,405	-	151,405
Receivables, Net	9,755,768	-	9,755,768
Due from other funds	73,344,232	28,905,425	102,249,657
Accounts Receivable - Fiduciary Funds	432,128	183,506	615,634
Leases Receivable-current	15,232,175	-	15,232,175
Total Current Assets	117,706,813	31,273,912	148,980,725
Non Current Assets			
Investments	-	2,049,492	2,049,492
Notes Receivable	4	-	4
Other Assets	533,000	-	533,000
Leases Receivable-noncurrent	224,397,078	-	224,397,078
Restricted Assets			
Cash	-	38,672	38,672
Investments	-	10,068,114	10,068,114
Capital Assets, net	220,257,208	109,770	220,366,978
Total Non Current Assets	445,187,290	12,266,048	457,453,338
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension	342,889	720,834	1,063,723
Deferred outflows of resources related to other post-employment benefits	-	5,848,500	5,848,500
TOTAL DEFERRED OUTFLOWS OF RESOURCES	342,889	6,569,334	6,912,223
LIABILITIES			
Current Liabilities			
Accounts Payable & Accrued Liabilities	6,623,298	578,747	7,202,045
Accounts Payable - Fiduciary Funds	869,858	59,110	928,968
Interest payable on bonds and notes	1,166,423	-	1,166,423
Unearned Revenue	345,740	-	345,740
Other Long-Term Liabilities - current portion	2,382,444	42,077	2,424,521
Due to other funds	-	21,202,841	21,202,841
Total Current Liabilities	11,387,763	21,882,775	33,270,538
Long-Term Liabilities			
Other Long-Term Liabilities - noncurrent portion	16,986,003	5,174,448	22,160,451
Net Pension Liability	1,759,409	4,604,259	6,363,668
Net OPEB Liability	-	13,498,998	13,498,998
Bonds Payable - noncurrent portion	2,178,314	-	2,178,314
Total Long-Term Liabilities	20,923,726	23,277,705	44,201,431
DEFERRED INFLOWS OF RESOURCES			
Related to pension	106,383	417,914	524,297
Related to other post-employment benefits	-	5,191,572	5,191,572
Related to other activities	38,965,145	-	38,965,145
Related to long-term leases	240,793,506	-	240,793,506
TOTAL DEFERRED INFLOWS OF RESOURCES	279,865,034	5,609,486	285,474,520
NET POSITION			
Net Investment in Capital Assets	218,078,894	109,770	218,188,664
Restricted for Statutory Requirements	-	10,106,786	10,106,786
Unrestricted (deficit)	32,981,575	(10,877,228)	22,104,347
TOTAL NET POSITION	\$ 251,060,469	\$ (660,672)	\$ 250,399,797

See notes to financial statements.

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION –
 PROPRIETARY FUNDS

Year Ended December 31, 2024

	Sports Complex Enterprise Fund	Solid Waste Enterprise Fund	Total Enterprise Funds
OPERATING REVENUES:			
Sports Complex	\$ 4,613,421	\$ -	\$ 4,613,421
Convention Center	2,966,181	-	2,966,181
Solid Waste Revenues	-	-	-
Other Operating Revenue	10,799,162	-	10,799,162
Lease Amortization and Interest Revenue	18,849,307	-	18,849,307
Total Operating Revenues	37,228,071	-	37,228,071
OPERATING EXPENSES:			
Sports Complex	19,926,933	-	19,926,933
Convention Center	8,210,433	-	8,210,433
Solid Waste Expenses	-	235,245	235,245
Payment in Lieu of Taxes	12,980,006	26,362	13,006,368
Parks and Open Space	-	586,632	586,632
Depreciation and Amortization	4,858,734	14,676	4,873,410
Closure Expenses	-	3,475,488	3,475,488
Total Operating Expenses	45,976,106	4,338,403	50,314,509
OPERATING LOSS	(8,748,035)	(4,338,403)	(13,086,438)
NON-OPERATING INCOME:			
State Appropriation	56,326,000	5,000,000	61,326,000
Other Income	1,014,590	-	1,014,590
Tourism Tax Revenue	6,847,861	-	6,847,861
Interest Income	1,231,985	674,479	1,906,464
Total Non-Operating Income	65,420,436	5,674,479	71,094,915
CHANGES IN NET POSITION	56,672,401	1,336,076	58,008,477
NET POSITION - Beginning of Year	\$ 194,388,068	\$ (1,996,748)	\$ 192,391,320
NET POSITION - End of Year	\$ 251,060,469	\$ (660,672)	\$ 250,399,797

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

Year Ended December 31, 2024

	Sports Complex Enterprise Fund	Solid Waste Enterprise Fund	Total Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 26,964,625	\$ 1,833,193	\$ 28,797,818
Payments to employees	(12,834,670)	(689,100)	(13,523,770)
Payments to suppliers	(54,195,200)	(994,060)	(55,189,260)
Payments for quasi-external operating transactions	(22,363,398)	(2,235,692)	(24,599,090)
Net cash from operating activities	<u>(62,428,643)</u>	<u>(2,085,659)</u>	<u>(64,514,302)</u>
Cash Flows from Noncapital Financing Activities			
Tourism tax revenues	6,847,861	-	6,847,861
Landfill remediation and post-closure	-	(3,475,488)	(3,475,488)
Net cash from noncapital financing activities	<u>6,847,861</u>	<u>(3,475,488)</u>	<u>3,372,373</u>
Cash Flows from Capital and Related Financing Activities			
State appropriations	56,326,000	5,000,000	61,326,000
Other sources of income	1,014,589	-	1,014,589
Purchase of capital assets	(4,376,295)	(79,568)	(4,455,863)
Repayment of racetrack loans	624,334	-	624,334
Net cash from capital financing activities	<u>53,588,628</u>	<u>4,920,432</u>	<u>58,509,060</u>
Cash Flows from Investing Activities			
Interest	1,231,985	600,408	1,832,393
Sales of investments	-	(494,270)	(494,270)
Net cash from investing activities	<u>1,231,985</u>	<u>106,138</u>	<u>1,338,123</u>
Net change in cash and cash equivalents	(760,169)	(534,577)	(1,294,746)
Cash and equivalents, beginning of year	19,315,481	2,719,558	22,035,039
Cash and equivalents, end of year	<u>\$ 18,555,312</u>	<u>\$ 2,184,981</u>	<u>\$ 20,740,293</u>
Reconciliation of operating loss to net cash from operating activities:			
Operating loss	\$ (8,748,035)	\$ (4,338,403)	\$ (13,086,438)
Depreciation expense	4,858,734	14,676	4,873,410
Landfill remediation and post-closure	-	3,475,488	3,475,488
Change in assets and liabilities:			
(Increase)/Decrease In Receivables, net	(7,662,456)	1,833,193	(5,829,263)
(Increase)/Decrease In Other Assets	(5,268,857)	-	(5,268,857)
(Increase)/Decrease In Deferred Outflows	(61,608)	(570,199)	(631,807)
(Decrease)/Increase In Deferred Inflows	2,732,583	(2,141,167)	591,416
(Decrease)/Increase in Accounts Payable & Accrued Liabilities	214,015	5,063	219,078
(Decrease)/Increase in Other Liabilities	(26,204,640)	1,966,000	(24,238,640)
(Decrease)/Increase in Deferred Revenue	191,310	(94,618)	96,692
Due to/(from) other funds	(22,363,398)	(2,235,692)	(24,599,090)
Other	(116,291)	-	(116,291)
Net cash from operating activities	<u>\$ (62,428,643)</u>	<u>\$ (2,085,659)</u>	<u>\$ (64,514,302)</u>

See notes to financial statements.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS

December 31, 2024

	Special Escrow	Transportation Planning	Grandstand	International Events Improvements, & Attractions	Total
ASSETS					
Cash and Investments	\$ 9,470,602	\$ 4,074,001	\$ 1,035,127	\$ 41,428,462	\$ 56,008,192
Receivables, Net	-	77,547	-	-	77,547
Interfunds Receivable	26,517	674,465	-	1,065,022	1,766,004
Leases Receivable	2,862,658	-	-	-	2,862,658
Notes Receivable	-	-	-	6,610,800	6,610,800
Interest Receivable	-	-	-	280,334	280,334
Capital Assets - Depreciable, Net	-	2,328,242	-	-	2,328,242
TOTAL ASSETS	12,359,777	7,154,255	1,035,127	49,384,618	69,933,777
LIABILITIES					
Accounts Payable & Accrued Liabilities	2,591	155,478	10,141	927,997	1,096,207
Interfunds Payable	1,614,875	432,128	5,941	-	2,052,944
Construction Deposits	279,803	-	-	-	279,803
Rutherford Post Closure Security	166,802	-	-	-	166,802
Security Deposits	146,845	-	-	-	146,845
Contract Retainage Payable	596,505	-	-	-	596,505
TOTAL LIABILITIES	2,807,421	587,606	16,082	927,997	4,339,106
DEFERRED INFLOW OF RESOURCES					
Related to Long-Term Leases	1,896,057	-	-	-	1,896,057
TOTAL DEFERRED INFLOWS OF RESOURCES	1,896,057	-	-	-	1,896,057
NET POSITION					
Invested in Capital Assets, net	-	2,328,243	-	-	2,328,243
Blackstrap Broadcasting Escrow	2,348,792	-	-	-	2,348,792
Bloomberg Escrow	2,780,431	-	-	-	2,780,431
Reserve For Mitigation	273,307	-	-	-	273,307
Main Street Program	159,610	-	-	-	159,610
Renewable Energy Reserve	2,534,503	-	-	-	2,534,503
Other	(440,344)	4,238,406	1,019,045	48,456,621	53,273,728
TOTAL NET POSITION	\$ 7,656,299	\$ 6,566,649	\$ 1,019,045	\$ 48,456,621	\$ 63,698,614

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS

Year Ended December 31, 2024

	Special Escrow	Transportation Planning	Grandstand	International Events Improvements, & Attractions	Total
Additions					
State Appropriation	\$ -	\$ -	\$ -	\$ 30,000,000	\$ 30,000,000
Grant Revenues	-	349,218	-	-	349,218
Transportation Planning District Fees	-	913,048	-	-	913,048
Bloomberg Lease Revenue	39,332	-	-	-	39,332
Lease Amortization and Interest Revenue	306,579	-	-	-	306,579
Interest/Other	105,374	142,421	-	1,386,793	1,634,588
Blackstrap Escrow	39,254	-	-	-	39,254
Total Additions	490,539	1,404,687	-	31,386,793	33,282,019
Deductions					
Mitigation Expenses	4,133	-	-	-	4,133
Grandstand Expenses	-	-	367,095	-	367,095
International Event Expenses	-	-	-	17,957,045	17,957,045
MAP4S Grant Expenditures	-	368,427	-	-	368,427
MASSTR Expenditures	-	475,971	-	-	475,971
Total Deductions	4,133	844,398	367,095	17,957,045	19,172,671
Changes in Net Position	486,406	560,289	(367,095)	13,429,748	14,109,348
Net Position, Beginning of Year	7,169,893	6,534,994	1,386,140	35,026,873	50,117,900
Adjustments to Net Position					
Depreciation Expense	-	(528,634)	-	-	(528,634)
Total Adjustments to Net Position	-	(528,634)	-	-	(528,634)
Net Position, End of Year	\$ 7,656,299	\$ 6,566,649	\$ 1,019,045	\$ 48,456,621	\$ 63,698,614

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

NOTES TO FINANCIAL STATEMENTS

A. ORGANIZATION

The New Jersey Sports and Exposition Authority (the "Authority" or "NJSEA") was created by the laws of the State of New Jersey of 1971, Chapter 137, and enacted May 10, 1971, as supplemented and amended by Public Law 2015, Chapter 19, enacted on February 5, 2015, (the "Act"). It is constituted as an instrumentality of the State of New Jersey ("State"), exercising public and essential governmental functions. The Act empowers the Authority to own and operate various projects, located in the State, including stadiums and other buildings and facilities for athletic contests, horse racing, and other spectator sporting events, trade shows and other expositions. The Authority is also charged with the solid waste management, environmental protection, and the orderly, comprehensive development and redevelopment of the Hackensack Meadowlands.

The Authority has no stockholders or equity holders, and all bond proceeds, revenues, or other cash received must be applied for specific purposes in accordance with the provisions of the Act, and related bond resolutions, for the security of the bondholders as needed. The Authority's Board consists of the President of the Authority, the State Treasurer, and a member of the Hackensack Meadowlands Municipal Committee ("HMMC") established by the "Hackensack Meadowlands Redevelopment Act", P.L. 1968, c.404 (C.13:17-1 et seq.), appointed by the Governor, who are members ex officio, eleven members appointed by the Governor with the advice and consent of the State Senate, one member appointed by the President of the Senate, and one member appointed by the Speaker of the General Assembly.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Governmental Accounting Standards Board ("GASB") establishes the criteria used in determining which organizations should be included in these financial statements. The GASB's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, requires the inclusion of government organizations for which the Authority is financially accountable. Financial accountability is defined as: 1) appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or 2) fiscal dependency on the primary government.

The extent of financial accountability is based upon several criteria including: appointment of a voting majority, imposition of will, financial benefit to or burden on a primary government, and financial accountability as a result of fiscal dependency.

On February 23, 1998, the Authority assumed the assets and liabilities and undertook the existing operations of the Wildwoods Convention Center. The assets and liabilities were recorded at fair value and the difference was recorded to net assets, invested in capital facilities.

On February 5, 2015, the assets, liabilities and functions of the New Jersey Meadowlands Commission ("NJMC") were assumed by the NJSEA pursuant to the Hackensack Meadowlands Agency Consolidation Act at book value.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The Authority is a component unit included in the State's Annual Comprehensive Financial Report ("ACFR"). The NJSEA requires significant subsidies from and has material transactions with the State and depends on certain tax revenues that are economically sensitive.

Basis of Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied in governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Government-Wide Statements

The statement of net position and the statement of net activities display information which includes the overall financial activities of the Authority. These statements distinguish between the governmental and business-type activities of the Authority. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net activities presents a comparison between direct expenses and program revenues for the Authority's business-type activities and for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Authority's funds. Separate statements for each fund category applicable to the Authority's governmental and proprietary funds are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Both enterprise funds are considered major. All remaining governmental funds are aggregated and reported as non-major funds.

The Authority reports the following major governmental funds:

- **General Fund.** This is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Environmental Center Fund.** The purpose of the Environmental Center Fund is to account for all financial resources required to operate the Meadowlands Environmental Center and Science Center.
- **MAGNET Fund.** The purpose of the MAGNET Fund is to foster continued revitalization in the Meadowlands and ensure continued growth and improvement in the region both environmentally and economically.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- **Meadowlands Research and Restoration Institute (“MRRI”) Fund.** The purpose of the MRRI Fund is to account for all financial resources required to operate the scientific arm of the NJSEA and preservation of the surrounding environment.

Proprietary fund operating revenues, such as fees for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment income, result from non-exchange transactions or ancillary activities.

The Authority reports the following major enterprise funds:

- **Solid-Waste-Enterprise Fund.** This fund accounts for the activities of the landfills operated by the Authority, as well as the closure and post-closure costs of such landfills.
- **Sports Complex Enterprise Fund.** This fund accounts for activities of the Sports Complex operated by the Authority, which have operations that are leased. The activities of the Wildwood Convention Center are also reported in this fund.

Fiduciary Funds account for the proceeds of deposits held in trust for others. The Authority reports the following Fiduciary Funds:

- **Special Escrows.** This includes funds escrowed for Mitigation, Wetlands and disbursement of the Meadowlands Adjustment Payments.
- **Transportation Planning District.** This fund is responsible for the continuing operation and maintenance of the Meadowlands Adaptive Signal System for Traffic Reduction (“MASSTR”).
- **Grandstand.** This fund is responsible for the demolition of the old Grandstand, cleanup and roadway improvements at the Sports Complex.
- **International Events.** This fund is responsible for improvements and attractions relating to World Cup; as well as stimulating economic activity in the Meadowlands region and the greater New Jersey area.

The accounts of the Authority are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and other contributions. Revenue from such non-exchange transactions is recognized in the fiscal year in which all eligibility requirements have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available to pay liabilities of the current period. The Authority recognizes revenues that are expected to be collected within 90 days of year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest of general long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

Net Position

The Authority has adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which amends the net asset reporting requirement of Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and other pronouncements by incorporating deferred outflows from resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The classifications of net position are defined as follows:

- *Net Investment in Capital Assets* - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation 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 related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather that portion of the debt is included in the same net assets component as the unspent proceeds.
- *Restricted* - This component of net position consists of constraints placed on net assets used through external constraints imposed by creditors (such as through debt covenants), grantors, contributions, 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 assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classifications

The Authority has established a policy of classifying fund balances in accordance with GASB Statement No. 54 as follows:

- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be modified or released only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Authority's highest level of decision-making authority. Commitments may be changed or lifted only by the Authority taking the same formal action that originally imposed the constraint.
- **Assigned** fund balance comprises amounts *intended* to be used by the Authority for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Governmental funds, other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the Authority first spends committed funds, then assigned funds, and finally, unassigned funds.

Cash and Investments

Cash and investments include short-term investments that are carried at cost, which approximates market. The Authority considers all highly liquid investments with a maturity of ninety days or less when purchased to be cash equivalents. Restricted cash investments include short-term investments that are required for a specific purpose.

Valuation of Investments

State and local government securities, repurchase agreements, and certificates of deposit are investments in nonparticipating investment contracts which management concludes are not significantly affected by the impairment of the credit standing of the Authority or other factors. Credit ratings for these investments are not available. These investments are recorded at fair market value.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable, Net of Allowance for Doubtful Accounts

The Authority evaluates all accounts receivable on an annual basis. An allowance for doubtful accounts is set up by charging operating expense. Amounts are charged against the allowance for doubtful accounts when management believes that collectability of certain receivables are uncertain.

Other Assets

Other assets include prepaid expense, prepaid insurance and loan receivables.

Capital Assets

Capital assets are stated at cost or estimated historical cost. Contributed capital fixed assets are recorded at their estimated fair market value at the time received. Depreciation is provided using the straight-line method over estimated useful lives ranging from five to ten years for all assets. Capital fixed assets related to the Arena are considered non-performing assets and are shown separately in Note D.

Asset lives used in the calculation of depreciation are generally as follows:

Buildings	20-60 years
Infrastructure	15 years
Machinery and equipment	2-20 years
Land improvements	10-20 years
Leasehold rights	24 years

The Authority considers any asset acquired or improvement made to any building or facility, with a value over \$1,000 and an estimated useful life over one year, a depreciable capital asset.

Accumulated Vacation Time

Salaried employees of the Authority may accumulate vacation time up to a maximum of their yearly vacation allowance. This accumulated vacation time must be used within one year of the year earned. Upon termination of employment, salaried employees are entitled to receive a lump sum payment of their accumulated earned but unused vacation allowance.

Unearned Revenues

Unearned revenues represent revenues collected but not earned as of December 31, 2024.

Accrued Liability for Closure and Post-Closure Costs

The accrued liability for closure and post-closure costs represents funds collected as part of the solid waste tariff, which are required to be established to pay for the cost of closure and post-closure of landfills.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This section represents a consumption of net position that applies to a future period and so is not recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This section represents an addition of net position that applies to a future period and so is not recognized as an inflow of resources (revenue) until that time.

Deferred outflows are related to pension and other post-employment benefits. Deferred inflows are related to pension, other post-employment benefits, and other financing activity.

Non-Operating Revenues and Expenses

Non-operating revenues: State payments received related to State Appropriations and Tourism taxes collected; sales of property; management fees; interest revenue earned on investments and interest expense. Non-operating expenses are recognized in the accounting period in which the liability is incurred.

Payment in Lieu of Taxes (PILOT)

In accordance with a provision of the enabling Act, properties and income of the Authority are exempt from taxation. However, payments in lieu of taxes are made to certain municipalities to compensate for loss of tax revenues by reason of acquisition of real property by the Authority.

Income Taxes

The Authority is exempt from federal income taxes under the Internal Revenue Code Section 115 and from state income taxes under N.J.S.A. 27:25-16. Accordingly, no provision is recorded for federal and state income taxes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Governmental Accounting Standards Board (GASB) Statements

The Authority has evaluated the following pronouncements and their impact on the financial statements. The adoption of these statements had no effect on previously reported amounts.

The GASB has issued Statement No. 99, "*Omnibus 2022.*" Certain provisions of this Statement were adopted by the Authority for the year ended December 31, 2024. The adoption of this Statement had no effect on previously reported amounts.

The GASB has issued Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62.*" This Statement was adopted by the Authority for the year ended December 31, 2024. The adoption of this Statement had no effect on previously reported amounts.

The GASB has issued Statement No. 101, "*Compensated Absences.*" This Statement was adopted by the Authority for the year ended December 31, 2024. The adoption of this Statement had no effect on previously reported amounts.

Pending Governmental Accounting Standards Board (GASB) Statements

The GASB has issued Statement No. 102, "*Certain Risk Disclosures.*" This Statement is required to be adopted by the Authority for the year ending December 31, 2025. The Authority has not determined the effect of GASB Statement No. 102 on the financial statements.

The GASB has issued Statement No. 103, "*Financial Reporting Model Improvements.*" This Statement is required to be adopted by the Authority for the year ending December 31, 2026. The Authority has not determined the effect of GASB Statement No. 103 on the financial statements.

The GASB has issued Statement No. 104, "*Disclosure of Certain Capital Assets.*" This Statement is required to be adopted by the Authority for the year ending December 31, 2026. The Authority has not determined the effect of GASB Statement No. 104 on the financial statements.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

NOTES TO FINANCIAL STATEMENTS

C. CASH AND INVESTMENTS

The components of cash and investments are as follows:

	Government-Wide Balance Dec 31, 2024	Fiduciary Fund Balance Dec 31, 2024
Cash and Investments:		
Unrestricted:		
Cash on Hand	\$ 38,526,915	\$ 15,408,383
Investments	10,174,690	40,599,809
NJ Cash Management Fund	15,208,658	-
Unrestricted Cash & Investments	<u>63,910,263</u>	<u>56,008,192</u>
Restricted:		
Cash on Hand	38,672	-
Investments	16,936,742	-
Restricted Cash & Investments	<u>16,975,414</u>	<u>-</u>
Total Cash and Investments	<u>\$ 80,885,677</u>	<u>\$ 56,008,192</u>

All demand deposits and certificates of deposit, except deposits held by the trustee, of any depository must be fully secured by lodging collateral security of obligations secured by the United States with the trustee or bank designated by the Trustee. At December 31, 2024, all demand deposits were collateralized.

The Authority categorizes its fair value measurements within the fair hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. All of the Authority's investments are measured using Level 1 inputs.

The NJ Cash Management Fund is a money market fund managed by the State's Division of Investments. P.L. 1950, c. 270 and subsequent legislation permits the Division of Investments to invest in a variety of securities, including, in the case of short-term investments, obligations of the U.S. government and certain of its agencies, commercial paper, certificates of deposit, repurchase agreements, bankers' acceptances and loan participation notes. All such investments must fall within the guidelines set forth by the regulations of the State of New Jersey, State Investment Council. Securities in the NJ Cash Management Fund are insured or registered, or securities held by the Division of Investments or its agent in the NJ Cash Management Fund's name.

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

D. INVESTMENT IN FACILITIES

Investment in facilities is stated at cost, which includes all costs during the construction period for acquisition of land, rights of way, acquisition cost of acquiring facilities, surveys, engineering costs, roads, construction costs and additions to facilities, administrative and financial expenses and interest during construction net of interest income earned on the unexpended funds, including debt service reserve funds net of accumulated depreciation. Depreciation is computed by the straight-line method based on estimated useful lives of the related assets.

	December 31, 2023	Additions	Deletions	December 31, 2024
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 20,144,356	\$ -	\$ -	\$ 20,144,356
Construction in progress	106,497	74,830	(106,498)	74,829
Total capital assets not being depreciated	<u>20,250,853</u>	<u>74,830</u>	<u>(106,498)</u>	<u>20,219,185</u>
Capital assets that are being depreciated:				
Building and building improvements	17,429,489	-	-	17,429,489
Infrastructure	423,310	52,564	-	475,874
Machinery and equipment	4,700,476	273,787	-	4,974,263
Total at historical costs	<u>22,553,275</u>	<u>326,351</u>	<u>-</u>	<u>22,879,626</u>
Less accumulated depreciation for:				
Building and building improvements	(13,909,800)	(487,948)	-	(14,397,748)
Infrastructure	(16,003)	(29,973)	-	(45,976)
Machinery and equipment	(5,399,076)	(158,889)	-	(5,557,965)
Total accumulated depreciation	<u>(19,324,879)</u>	<u>(676,810)</u>	<u>-</u>	<u>(20,001,689)</u>
Total capital assets being depreciated net of accumulated depreciation	<u>3,228,396</u>	<u>(350,459)</u>	<u>-</u>	<u>2,877,937</u>
Governmental activities capital assets, net	<u>\$ 23,479,249</u>	<u>\$ (275,629)</u>	<u>\$ (106,498)</u>	<u>\$ 23,097,122</u>
Business-Type Activities:				
Capital assets that are not being depreciated:				
Land	\$ 117,149,000	\$ -	\$ -	\$ 117,149,000
Building and building improvements (1)	41,553,620	547,579.00	-	42,101,199
Construction in progress	878,697	3,556,656	(878,697)	3,556,656
Total capital assets not being depreciated	<u>159,581,317</u>	<u>4,104,235</u>	<u>(878,697)</u>	<u>162,806,855</u>
Capital assets that are being depreciated:				
Building and building improvements	229,492,138	839,780	-	230,331,918
Machinery and equipment	87,206,422	390,547	-	87,596,969
Total at historical costs	<u>316,698,560</u>	<u>1,230,327</u>	<u>-</u>	<u>317,928,887</u>
Less accumulated depreciation for:				
Building and building improvements	(173,520,200)	(4,914,578)	-	(178,434,778)
Machinery and equipment	(81,467,110)	(466,876)	-	(81,933,986)
Total accumulated depreciation	<u>(254,987,310)</u>	<u>(5,381,454)</u>	<u>-</u>	<u>(260,368,764)</u>
Total capital assets being depreciated net of accumulated depreciation	<u>61,711,250</u>	<u>(4,151,127)</u>	<u>-</u>	<u>57,560,123</u>
Capital assets that are being amortized:				
Landfills	5,902,136	-	-	5,902,136
Total at historical costs	<u>5,902,136</u>	<u>-</u>	<u>-</u>	<u>5,902,136</u>
Less accumulated amortization for:				
Landfills	(5,902,136)	-	-	(5,902,136)
Total accumulated amortization	<u>(5,902,136)</u>	<u>-</u>	<u>-</u>	<u>(5,902,136)</u>
Total landfill life being amortized net of accumulated amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-Type activities capital assets, net	<u>\$ 221,292,567</u>	<u>\$ (46,892)</u>	<u>\$ (878,697)</u>	<u>\$ 220,366,978</u>
Fiduciary Activities:				
Capital assets that are being depreciated:				
Infrastructure	\$ 7,929,508	\$ -	\$ -	\$ 7,929,508
Total at historical costs	<u>7,929,508</u>	<u>-</u>	<u>-</u>	<u>7,929,508</u>
Less accumulated depreciation for:				
Infrastructure	(5,072,632)	(528,634)	-	(5,601,266)
Total accumulated depreciation	<u>(5,072,632)</u>	<u>(528,634)</u>	<u>-</u>	<u>(5,601,266)</u>
Total fiduciary assets being depreciated net of accumulated depreciation	<u>\$ 2,856,876</u>	<u>\$ (528,634)</u>	<u>\$ -</u>	<u>\$ 2,328,242</u>

(1) Building and Building Improvements not being depreciated represent the net book value of the Arena, a non performing asset, as of December 31, 2024.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

NOTES TO FINANCIAL STATEMENTS

E. NOTES RECEIVABLE

The Authority, pursuant to its Racetrack Ground Lease Agreement with the New Jersey Thoroughbred Horsemen's Association Inc. ("NJTHA"), was owed Minimum Lease Payments under the Agreement. All obligations under this agreement have been fulfilled as of December 31, 2024.

F. LONG-TERM LIABILITIES

During 2024, changes in long-term liabilities were as follows:

	Balance December 31, 2023	Issued	Retired	Balance December 31, 2024	Due within One year
Governmental Activities:					
PERS Pension Liability	\$ 9,529,865	\$ 132,509	\$ -	\$ 9,662,374	\$ -
Chapter 19, P.L. 2009 Liability	189,418	-	(40,827)	148,591	-
Compensated Absences	1,159,488	119,644 *	-	1,279,132	509,313
Other Post Employment Benefits	24,289,250	4,043,169	-	28,332,419	-
Other Liabilities	2,000	-	-	2,000	-
	<u>\$ 35,170,021</u>	<u>\$ 4,295,322</u>	<u>\$ (40,827)</u>	<u>\$ 39,424,516</u>	<u>\$ 509,313</u>
Business-Type Activities:					
Sports Complex Enterprise					
Bonds and Notes Payable	\$ 2,193,314	\$ -	\$ (15,000)	\$ 2,178,314	\$ -
PERS Pension Liability	1,745,762	13,647	-	1,759,409	-
Workman's Comp Claims	6,204,290	1,351,805	(1,353,184)	6,202,911	1,353,184
Compensated Absences	219,091	720,104	(710,821)	228,374	156,263
Union Pension Liabilities	37,071,398	-	(26,282,110)	10,789,288	836,613
Environmental Remediation	1,785,000	40,000	-	1,825,000	-
Other Liabilities	346,411	13,898	(37,435)	322,874	36,384
Solid Waste Enterprise					
Closure Liabilities	5,001,252	-	-	5,001,252	-
PERS Pension Liability	4,541,117	63,142	-	4,604,259	-
Chapter 19, P.L. 2009 Liability	148,828	-	(32,079)	116,749	-
Other Post Employment Benefits	11,572,627	1,926,371	-	13,498,998	-
Compensated Absences	89,957	8,567 *	-	98,524	42,077
	<u>\$ 70,919,047</u>	<u>\$ 4,137,534</u>	<u>\$ (28,430,629)</u>	<u>\$ 46,625,952</u>	<u>\$ 2,424,521</u>

* The change in the compensated absence liability is presented as a net change.

G. BONDS AND NOTES PAYABLE

Wildwoods Revenue Bonds 1996 Series A

The Authority assumed these bonds on February 23, 1998, as an obligation and liability of the Wildwoods Convention Center. The bonds were authorized by the Greater Wildwoods Tourism Improvement and Development Authority ("GWTIDA") and issued to the City of Wildwood in the amount of \$3,400,000 for the acquisition of the Wildwoods Convention Center in 1996.

On November 8, 1999, the Authority entered into The Omnibus Intergovernmental Agreement with the City of Wildwood, the Borough of Wildwood Crest, the City of North Wildwood, the GWTIDA, and the Treasurer of the State. This agreement restated the original terms and conditions of the Authority's assigned obligation under the bonds and replaced the previous Bond Resolution. Under the terms of the new agreement, repayment of principal and interest is to be funded by the Available

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G. BONDS AND NOTES PAYABLE (CONTINUED)

Wildwoods Revenue Bonds 1996 Series A (Continued)

Revenues of the Wildwoods Convention Center after payment of operating expenses, funding of the maintenance reserve fund, and payments in lieu of taxes. Should available revenues be insufficient to provide the required debt service amount, any unpaid portion accrues to the following year to be funded by that year's available revenues. If it should be deemed necessary, the Authority may request an express separate appropriation from the State Treasurer to cover any shortfall. The Authority does not pledge the revenues, rents, fees, rates, charges or other income derived from operations or ownership of any of its other projects to the repayment of these bonds. In 2024, there was not enough available revenue after the above-mentioned expenses to make any payment on debt service for these Revenue Bonds.

The balance of the Wildwood Bonds Payable at December 31, 2024, is \$2,178,314. In 2024, interest costs for the Revenue Bonds were \$54,457.

Monmouth Park Notes Payable

On March 1, 2012, the Authority entered into an agreement with the State acting by and through the New Jersey Department of Environmental Protection ("NJDEP") in which the Authority received the proceeds of a \$564,000 loan from the NJDEP Infrastructure Fund and a \$180,000 loan from the NJDEP Infrastructure Trust. The proceeds were used to pay for the purchase of equipment for the purpose of cleaning and maintaining storm drains. The NJDEP Infrastructure Fund Loan was paid off in 2019. The interest on the NJDEP Infrastructure Trust Loan was calculated between 3.00% and 5.00% and is for a term of 24 years. Interest cost for 2024 on the NJDEP Infrastructure Trust Loan was \$280. The NJDEP Infrastructure Trust Loan was paid off in 2024.

H. CONDUIT DEBT

State Contract Bonds

The Authority issued State Contract Bonds to fund various capital improvements of the Authority on behalf of the State. These bonds are considered conduit debt as permitted under GASB Statement No. 91, *Conduit Debt Obligations*.

None of the Authority's revenues, rents, fees, rates, charges or other income and receipts derived by the Authority from its operation or ownership of any of its projects are pledged or assigned to the payment of the principal or redemption price of and interest on such bonds. The State Contract Bonds are paid solely by the State. The principal amount outstanding on the State Contract Bonds at December 31, 2024, was \$34,045,000. This amount is excluded from the financial statements of the Authority.

Limited Obligation Grant Revenue Bonds

On June 29, 2017, the NJSEA authorized issuance of Limited Obligation Grant Revenue Bonds in the aggregate principal amount of \$287,000,000 (the "ERGG Bonds"), in order to provide financing for a portion of the costs of developing the American Dream Project. The ERGG Bonds are special limited revenue obligations of the Authority payable from grants received by the Authority pursuant to a State Economic Redevelopment and Growth Incentive Grant Agreement awarded to the developer of the American Dream Project. These bonds were sold to The Public Finance Authority,

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H. CONDUIT DEBT (CONTINUED)

Limited Obligation Grant Revenue Bonds (Continued)

a unit of Wisconsin government and body corporate and politic separate and distinct from, and independent of, the State of Wisconsin. The principal amount outstanding on the ERGG Bonds at December 31, 2024, was \$287,000,000. These bonds are considered conduit debt as permitted under Interpretation No. 2 of the GASB.

Limited Obligation PILOT Revenue Bonds

On June 29, 2017, the NJSEA authorized issuance of Limited Obligation PILOT Revenue Bonds in the aggregate principal amount of \$800,000,000 (the "PILOT Bonds"), in order to provide financing for a portion of the costs of developing the American Dream Project. The PILOT Bonds are special limited revenue obligations of the Authority payable from PILOTs received by the Authority pursuant to a Financial Agreement between the developer of the American Dream Project, the Borough of East Rutherford, and the Authority. These bonds were sold to The Public Finance Authority, a unit of Wisconsin government and body corporate and politic separate and distinct from, and independent of, the State of Wisconsin. The principal amount outstanding on the PILOT Bonds at December 31, 2024, was \$800,000,000. These bonds are considered conduit debt as permitted under Interpretation No. 2 of the GASB.

I. TOURISM TAX

Upon transfer of the Wildwoods Convention Center from the GWTIDA on February 23, 1998, the Authority assumed the right to receive 90% of the proceeds of a 2% tourism related retail receipts tax pursuant to N.J.S.A. 40:54D-1 et. Seq. (the "Tourism Improvement and Development District Law") for the construction and promotion of a new convention center facility. The remaining 10% of the funds generated by the tax is allocated to GWTIDA for its continuing promotion of tourism in the area. The tax is imposed and collected by ordinance and with the cooperation of the municipalities in the Greater Wildwoods (i.e., North Wildwood, Wildwood and Wildwood Crest).

J. LESSOR LEASES

The Authority leases various real estate and radio/cell towers to tenants over multi-year contracts including extension options that the Authority is reasonably certain will be exercised. The interest rates on the leases are fixed based on the U.S. prime interest rate of lease commencement, or at the interest rate explicitly prescribed in the lease agreement. As of December 31, 2024, leases receivable were \$256,356,188, and lease amortization and interest revenues earned during the year were \$4,860,026 and \$15,937,103, respectively, and summarized as follows:

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J. LESSOR LEASES (CONTINUED)

Fund / Lease Description	Lease Term	Lease Receivable, December 31, 2024	2024	2024
			Lease Amortization Revenue	Interest Revenue
General Fund - North Bergen Radio Tower	9/7/2006 - 9/31/2031	\$ 218,828	\$ 18,028	\$ 18,832
General Fund - PSE&G Hawk Realty Property	6/11/2013 - 1/1/2039	87,585	5,332	2,797
General Fund - Gas Flare No. Arlington	6/14/2019 - 6/13/2049	1,177,782	38,970	64,560
General Fund - IWS Transfer Station	9/8/2021 - 9/8/2041	10,997,807	614,270	363,729
General Fund - Nature's Choice	4/15/2023 - 4/14/2028	1,382,275	391,643	123,082
Sports Complex Fund - American Dream Ground Lease	6/30/2005 - 6/9/2092	136,638,640	2,308,867	8,223,256
Sports Complex Fund - NMSCO Ground Lease & PILOT Reimbursements	5/7/2010 - 11/6/2107	76,802,098	793,071	6,293,264
Sports Complex Fund - New Meadowlands Racetrack Ground Lease	12/19/2011 - 12/31/2062	11,095,648	201,485	354,340
Sports Complex Fund - Monmouth Park Racetrack Ground Lease	2/29/2012 - 12/31/2109	14,172,605	160,209	329,108
Sports Complex Fund - T-Mobile	2/6/2014 - 2/6/2029	225,024	51,173	7,268
Sports Complex Fund - K2 Towers	5/23/2011 - 9/13/2033	695,239	77,638	49,628
Special Escrow Fund - Bloomberg	11/25/2003 - 11/25/2038	1,326,686	50,519	54,198
Special Escrow Fund - PSE&G 1A Landfill, Kearny, NJ	1/28/2012 - 9/1/2031	1,535,973	148,821	53,041
		<u>\$ 256,356,190</u>	<u>\$ 4,860,026</u>	<u>\$ 15,937,103</u>

Future payments due to the Authority under non-cancelable agreements are as follows:

Years Ending December 31,	Principal (Undiscounted)	Interest	Total
2025	\$ 16,487,051	\$ 5,480,935	\$ 21,967,986
2026	14,687,462	5,364,691	20,052,153
2027	15,236,701	5,234,139	20,470,840
2028	15,180,140	5,103,527	20,283,667
2029	15,302,068	4,988,291	20,290,359
2030-2034	78,201,334	22,956,439	101,157,773
2035-2039	50,045,834	20,858,159	70,903,993
Thereafter	592,798,958	189,557,969	782,356,927
	<u>\$ 797,939,548</u>	<u>\$ 259,544,150</u>	<u>\$ 1,057,483,698</u>
		Less: Present Value Discount	(801,127,508)
		Lease Receivable, December 31, 2024	<u>\$ 256,356,190</u>

The Authority's lease agreements are described in greater detail as follows:

Meadowlands Racetrack

On December 19, 2011, the Authority entered into the Agreement with New Meadowlands Racetrack, L.L.C. ("NMR") whereby the Authority leases real property located in the Borough of East Rutherford, County of Bergen, on which the Authority has constructed a thoroughbred racetrack. NMR has full operational control of the racetrack.

The initial term of the Agreement runs through December 31, 2042, with two 10-year renewal terms.

Monmouth Park Racetrack

On February 29, 2012, the Authority entered into the Agreement with the NJTHA whereby the Authority leases real property located in the Borough of Oceanport, County of Monmouth, on which the Authority has constructed a thoroughbred racetrack. The NJTHA took full operational control on May 3, 2012.

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J. LESSOR LEASES (CONTINUED)

Monmouth Park Racetrack (Continued)

On August 27, 2024, subsequent to the NJTHA submitting a request to NJSEA, the NJTHA transferred all Tenant's right, title and interest including all assets and liabilities of the original lease agreement between the NJSEA and NJTHA to Darby Development, LLC. The NJSEA and Darby Development, LLC, entered into an amended and restated lease agreement to operate the Racetrack.

The term of the amended and restated Agreement runs through December 31, 2109.

MetLife Stadium

On December 21, 2006, the Authority entered into the Stadium Project Ground Lease and Development Agreement with New Meadowlands Stadium Company, LLC ("NMSCO") whereby the Authority leases real property within the Sports Complex located in the County of Bergen, Borough of East Rutherford, New Jersey, on which NMSCO has constructed a sports stadium known as "MetLife Stadium". NMSCO has full operational control of MetLife Stadium.

The initial term of the Stadium Project Ground Lease and Development Agreement is for 39 years from completion of the stadium construction (May 7, 2010) with four renewal options of 174 months each.

American Dream Project

Entertainment and Retail Component

On June 30, 2005, the Authority entered into the ERC Ground Lease ("ERC Ground Lease") with a developer to lease certain real property within the Sports Complex located in the County of Bergen, Borough of East Rutherford, New Jersey, to construct, develop and operate an entertainment/retail complex ("ERC") and associated parking areas on a 66.04 acre plot within the Sports Complex. Ameream LLC, a member of the Triple Five Worldwide Group of companies, acquired the ERC development rights in 2013. The first stage of the complex's opening occurred October 25, 2019, with the opening of the Nickelodeon Universe Theme Park and The Rink, an NHL regulation size ice rink. The second stage of the opening occurred on December 5, 2019, with the opening of Big Snow, the indoor ski and snowboard resort. Future stages of the opening included the DreamWorks Water Park on October 1, 2020 and the Sea Life Aquarium attraction on June 15, 2021, as well as the retail segments within the complex. Ameream LLC has full operational control of the ERC site.

The term of the ERC Ground Lease runs through June 9, 2092.

Hotel Component

On June 30, 2005, the Authority entered into the Hotel Ground Lease ("Hotel Ground Lease") with a developer to lease certain real property within the Sports Complex located in the County of Bergen, Borough of East Rutherford, New Jersey, to construct, develop and operate a hotel on a 3.23 acre plot within the Sports Complex. Meadow Hotel, LLC, a member of the Triple Five Worldwide Group of companies, acquired the hotel development rights in 2013. Construction of the hotel has not yet started. The tenant has full operational control of the hotel site.

The term of the Hotel Ground Lease runs through June 9, 2092.

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J. LESSOR LEASES (CONTINUED)

American Dream Project (Continued)

Office A-B Component

On June 30, 2005, the Authority entered into the A-B Office Ground Lease (“A-B Office Ground Lease”) with a developer to lease certain real property within the Sports Complex located in the County of Bergen, Borough of East Rutherford, New Jersey, to construct, develop and operate a 440,000 square foot Class A office space (“A-B Office”) on a 7.16 acre plot within the Sports Complex. Meadow A-B Office, LLC, a member of the Triple Five Worldwide Group of companies, acquired the A-B Office development rights in 2013. Construction of the A-B Office has not yet started. The tenant has full operational control of the A-B Office site.

The term of the A-B Office Ground Lease runs through June 9, 2092.

Office C-D Component

On June 30, 2005, the Authority entered into the C-D Office Ground Lease (“C-D Office Ground Lease”) with a developer to lease certain real property within the Sports Complex located in the County of Bergen, Borough of East Rutherford, New Jersey, to construct, develop and operate a 440,000 square foot Class A office space (“C-D Office”) on a 6.65 acre plot within the Sports Complex. Meadow C-D Office, LLC, a member of the Triple Five Worldwide Group of companies, acquired the C-D Office development rights in 2013. Construction of the C-D Office has not yet started. The tenant has full operational control of the C-D Office site.

The term of the C-D Office Ground Lease runs through June 9, 2092.

Baseball Stadium Component

On June 30, 2005, the Authority entered into a Baseball Stadium Ground Lease (“Baseball Stadium Ground Lease”) with a developer to lease certain real property within the Sports Complex located in the County of Bergen, Borough of East Rutherford, New Jersey to construct, develop and operate a baseball stadium (“Baseball Stadium”) on a 9.38 acre plot within the Sports Complex. Meadow Baseball, LLC, a member of the Triple Five Worldwide Group of companies, acquired the Baseball Stadium development rights in 2013. Construction of the Baseball Stadium has not yet started. The tenant has full operational control of the Baseball Stadium site.

The term of the Baseball Stadium Ground Lease runs through June 9, 2092.

Sports Complex Cell Tower Leases

North Site

On May 23, 2011, the Authority entered into a Wireless Telecommunications Facility Lease Agreement (“North Cell Tower Lease”) with K2 Towers, LLC to lease approximately 6,500 square feet of land at the Sports Complex located in the County of Bergen, Borough of East Rutherford, New Jersey. K2 Towers, LLC entered into the North Cell Tower Lease to construct a tower to accommodate multiple wireless carriers as well as the Authority’s public service antennas.

The initial term of the North Cell Tower Lease runs through September 13, 2023, with two renewal terms of 10 years each. K2 Towers LLC exercised the first renewal option, extending the term of the lease through September 13, 2033.

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NOTES TO FINANCIAL STATEMENTS

J. LESSOR LEASES (CONTINUED)

Sports Complex Cell Tower Leases (Continued)

South Site

On May 23, 2011, the Authority entered into a Wireless Telecommunications Facility Lease Agreement (“South Cell Tower Lease”) with K2 Towers, LLC to lease approximately 6,750 square feet of land at the Sports Complex located in the County of Bergen, Borough of East Rutherford, New Jersey. K2 Towers, LLC entered into the South Cell Tower Lease to construct a tower to accommodate multiple wireless carriers as well as the Authority’s public service antennas.

The initial term of the South Cell Tower Lease runs through August 18, 2022, with two renewal options of 10 years each. K2 Towers, LLC exercised the first renewal option, extending the term of the lease through August 18, 2032.

AT&T Wireless Lease

On January 10, 2001, the Authority entered into a Lease Agreement with AT&T Wireless Services to lease certain space for the purpose of installing wireless communication equipment on the Meadowlands Arena. The lease was amended two times, most recently on October 26, 2015; each time being to modify the number and location of the equipment. Per the terms of the agreement, the lease is split between the Authority and Monmouth Park Racetrack.

Upon expiration on October 26, 2020, the lease transitioned to a month-to-month lease. Subsequently in 2025, this lease was extended for an additional 5-year term through May 31, 2030.

T-Mobile Northeast Lease

On February 6, 2014, the Authority entered into a Lease Agreement for the placement of wireless communication equipment on the Meadowlands Arena.

The initial term of the lease was through February 6, 2019, with two 5-year extensions. T-Mobile exercised the first and second extensions, extending the lease through February 6, 2024, and then February 6, 2029.

New Cingular Wireless

On October 1, 2022, the Authority entered into a licensing agreement with New Cingular Wireless for the placement of temporary wireless cellular communications on the Meadowlands Sports Complex for a six-month period.

Upon expiration on April 1, 2023, the agreement transitioned to a month-to-month lease.

Transfer/Materials Recovery Facility

Effective September 8, 2021, the Authority entered into a lease agreement with I.W.S. Transfer Systems of NJ for the operation of the Transfer Station/Materials Recovery Facility and three non-contiguous additional parcels at 100 Baler Blvd, North Arlington, NJ.

The initial term of this lease runs through September 8, 2031, with two five-year extensions.

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J. LESSOR LEASES (CONTINUED)

PSE&G Leases

1A Landfill, Kearny, NJ

On January 28, 2012, the Authority entered into a Lease Agreement with PSE&G to lease a portion of the 1A Landfill ("1A") in Kearny, NJ for the development, construction and operation of a solar-powered electrical generating facility ("Solar Facility"). This includes all Solar Facility Equipment for the conversion of solar energy into electrical energy for interconnection of the local electric grid.

The term of the lease is for 19 years through September 1, 2031.

Hawk Realty Property

On June 11, 2013, the Authority entered into a Lease Agreement with PSE&G to lease a portion of lots in Secaucus, NJ for the development, construction and operation of a transmission tower on the property.

The term of the lease is for 25 years through January 1, 2039.

Radio Tower Lease

On September 7, 2006, the Authority entered into a Lease Agreement with New York AM Radio/Disney to lease a portion of land in North Bergen, NJ for the development, construction and operation of a radio tower on the property. Effective January 21, 2022, the lease agreement was assigned to Good Karma Broadcasting. Per the terms of the agreement, North Bergen is entitled to receive 80% of the lease payments, with the remaining 20% held by the Authority.

The term of the lease is for 25 years through August 31, 2031.

NJ Transit

On August 1, 2016, the Authority entered into a Lease Agreement with NJ Transit to lease a portion of property in Kearny, NJ as a temporary easement to construct a finger pier in connection with the Portal Bridge Capacity Enhancement Early Action Project.

The term of the lease was for five years through August 1, 2021. Upon expiration, the lease transitioned to a month-to-month lease. Effective March 25, 2022, the lease was amended extending the term 5 years through December 31, 2026.

Jersey Mulch/Nature's Choice

On April 15, 2023, the Authority entered into a Lease Agreement with Jersey Mulch & Nature's Choice to lease a portion of the 1E Landfill in North Arlington, NJ as a vegetative waste transfer facility.

The initial term of the lease was for 60 months through April 14, 2028, with the option to extend the lease for an additional five years.

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J. LESSOR LEASES (CONTINUED)

Kingsland Development Urban Renewal, LLC

On June 14, 2019, the Authority entered into a Lease Agreement with Kingsland Development Urban Renewal, LLC to lease the land adjacent to the Kingsland Redevelopment Area in North Arlington, NJ for the purpose of maintaining the gas flare that is serving the property.

The term of the lease is for 15 years through June 13, 2034, with three five-year extensions.

Bloomberg Communications, Inc.

On November 25, 2003, the Authority entered into a Lease Agreement with Bloomberg Communications, Inc. to lease a portion of property in the Borough of Carlstadt, NJ for the purpose of operating an AM radio tower on the property.

The initial term of the lease is for 5 years through November 25, 2008, with seven 5-year extensions. Bloomberg Communications, Inc. exercised the fifth of seven extensions, extending the term of the lease through November 25, 2028.

K. LICENSE AND OTHER AGREEMENTS

Giants Training Facility

On August 13, 2007, the Authority entered into a Lease and Development Agreement (“Training Facility Lease”) with the Giants Training Facility, LLC (“GTF”) to lease certain real property within the Sports Complex (“Training Facility”) located in the County of Bergen, Borough of East Rutherford, New Jersey. GTF entered into the Training Facility Lease to construct a training and practice facility on approximately 20 acres of land located at the Training Facility. GTF has completed the construction of the Training Facility and has full operational control of it.

The initial term of the Training Facility Lease is for 39 years with four additional renewal terms of 174 months each. No amounts are due to the Authority under the terms of the Lease.

Jets Training Facility

On February 9, 2007, the Authority entered into a Lease and Development Agreement (“Jets Training Facility Lease”) with Florham Park Development, LLC (“FPD”) to lease certain real property located in the County of Morris, Borough of Florham Park, State of New Jersey. FPD entered into the Jets Training Facility Lease to construct a training and practice facility for the New York Jets Football Team (“Training Facility”). FPD has completed the construction of the Training Facility and has full operational control of it.

The initial term of the Jets Training Facility Lease is for 17 years with sixteen additional renewal terms of 5 years each and a final renewal term of two years. No amounts are due to the Authority under the terms of the Lease.

JP Plumbing & Heating

On April 1, 2022, the Authority entered into a License Agreement with JP Plumbing & Heating, LLC to lease certain property located at the base of the 1-E Landfill as a staging area for construction equipment, supplies, personnel and parking of associated vehicles. The Authority retains

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NOTES TO FINANCIAL STATEMENTS

K. LICENSE AND OTHER AGREEMENTS

JP Plumbing & Heating (Continued)

operational control over the area.

The initial term of the license agreement is for two years through March 31, 2024, with an option to extend the term of the lease for one year. JP Plumbing exercised the renewal option, extending the term of the lease to March 31, 2025.

Disposal Road Adjacent to Kingsland Substation

On July 1, 2014, the Authority entered into a License Agreement with PSE&G to lease a portion of land on Disposal Road in North Arlington, NJ for use as a staging area for construction trailers, vehicles and the storage of oil filled electrical equipment on the property. The Authority retains operational control over the area.

The initial term of this license agreement terminated February 29, 2024. The agreement was amended, extending the term five years through February 28, 2029, with two successive 3-year extensions.

L. DEFERRED COMPENSATION PLANS

Salaried employees of the Authority are eligible for participation in an Internal Revenue Code ("IRC") Section 401(k) deferred compensation plan, the New Jersey Sports and Exposition Authority Savings and Investment Plan. Until July 31, 2011, the Authority contributed a maximum of 4% of the employees' salary up to the Internal Revenue Service maximum less the portion attributable to the State pension plan ("PERS"); effective August 1, 2011, the Authority discontinued its employer contribution. Annual employee contributions for 2024 were \$184,450. The Authority also participates in two IRC Section 457 deferred compensation plans as follows:

New Jersey State Employees Deferred Compensation Plan – This Plan is an IRC Section 457 deferred compensation plan administered by the State and, accordingly, is included in the financial statements of the State. The Plan, available to all State employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The Plan is funded solely from voluntary employee contributions. Employee contributions and investment earnings thereon are a part of the State Plan. Employees may defer a maximum of 100% of their salary (minus tax-sheltered pension or other voluntary tax-sheltered contributions) or \$19,000 (\$25,000 for individuals aged 50 and older), whichever is less. Investments are on an individual participant basis and the total investment for all the Authority employees is unknown. Employee contributions for 2024 were \$105,866.

Corebridge (Valic) Retirement – This 457(b) plan, which commenced operations on December 31, 1985, is funded solely from voluntary employee contributions. The Plan is administered by Corebridge Retirement. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the participating employees and are not included in the accompanying financial statements. Employee contributions in 2024 were \$97,100.

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M. PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers

Substantially all full-time employees of the State or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction’s pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at July 1, 2023.

Inactive plan members or beneficiaries currently receiving benefits	193,915
Inactive plan members entitled to but not yet receiving benefits	573
Deferred Beneficiaries	73
Active plan members	<u>244,324</u>
Total	<u>438,885</u>

Significant Legislation

For State contributions to the PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012, and a payment in each subsequent fiscal year that increases by at least an additional 1/7th until payment of the full contribution is made in the seventh fiscal year and thereafter.

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of the PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, cost of living adjustment increases were suspended for all current and future retirees of the PERS.

Total PERS covered payroll during 2024 was \$9,707,647. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Authority to active employees covered by the Plan.

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NOTES TO FINANCIAL STATEMENTS

M. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

Specific Contribution Requirements and Benefit Provisions

The contribution policy is set by N.J.S.A. 43:15 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 July 2012. The member contribution rate was 7.34% in State fiscal year 2018 and increased to 7.5% for State fiscal year 2019, commencing July 1, 2018. The July 2018 increase marks the last rate increase under the provisions of Chapter 78, P.L. 2011. The local employers' contribution amounts are based on an actuarially determined rate, which include the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of the assets. The Authority's cash basis contributions to the Plan for the year ended December 31, 2024, were \$1,713,494. Authority contributions are due and payable on April 1 in the second fiscal period subsequent to the plan year for which the contributions requirements were calculated. Authority payments to PERS for the year ended December 31, 2024, consisted of the following:

Normal Cost	\$ 278,092
Amortization of Accrued Liability	1,258,021
Total Pension	<u>1,536,113</u>
NCGI Premiums	68,768
Total Regular Billing	<u>1,604,881</u>
Additional Billings and Adjustments	
ERI 2	1,789
Ch. 19, P.L. 2009	106,824
Total PERS Payments	<u>\$ 1,713,494</u>

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

The following represents the membership tiers for PERS:

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

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

M. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

Specific Contribution Requirements and Benefit Provisions (Continued)

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to Tier 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tier 1 and 2 members before reaching age 60, to Tier 3 and 4 members with 25 years or more of service credit before age 62, and Tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

A special funding situation exists for the local employers of the Public Employees' Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by local employers under Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The state special funding situation pension expense of \$43,606,492, for the fiscal year ended June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ended June 30, 2024. The pension expense is deemed to be a state administrative expense due to the special funding situation. The portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Authority is \$0 and the total proportionate share of the employer pension benefit is \$51,668 for the June 30, 2024, measurement date.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Authority's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Authority was \$16,026,044 or 0.117942225%, which was an increase of 0.0087435543% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Authority recognized PERS expense of \$1,094,594. At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 321,031	\$ 42,666
Changes in assumptions	19,910	182,339
Net difference between projected and actual investment earnings on pension plan investments	-	743,084
Changes in proportion	1,433,063	433,232
Authority contributions subsequent to the measurement date	802,441	-
	<u>\$ 2,576,445</u>	<u>\$ 1,401,321</u>

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

M. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

The \$802,441 shown as deferred outflows of resources relates to the PERS contributions made by the Authority subsequent to the measurement date of June 30, 2024, and will be recognized as a reduction of net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the PERS will be recognized in pension expense as follows:

Years Ending December 31,	PERS
2025	\$ (3,234,357)
2026	2,491,959
2027	762,534
2028	314,592
2029	37,955
	<u>\$ 372,683</u>

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 is 5.08, 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years, respectively.

Actuarial Assumptions

The total pension liability in 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. This actuarial valuation used the following actuarial assumptions:

Inflation: Price	2.75%
Inflation: Wage	3.25%
Salary Increases (based on years of service)	2.75 - 6.55%
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

M. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

Long-term Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%
	100.00%	

Discount Rate

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

Sensitivity of Net Pension Liability

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Authority's proportionate share of net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

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NOTES TO FINANCIAL STATEMENTS

M. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

Sensitivity of Net Pension Liability (Continued)

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% increase (8.00%)</u>
Authority's proportionate share	\$ 21,473,921	\$ 16,026,044	\$ 11,639,629

Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in a separately issued financial report for the State of New Jersey PERS.

Additional Information Related to the Local Group:

Collective deferred outflows of resources	\$1,079,580,780
Collective deferred inflows of resources	\$1,611,322,898
Collective net pension liability	\$13,702,423,985
Authority's portion	0.117942225%

Collective pension expense for the Local Group for the measurement period ended June 30, 2024, is \$372,160,096.

N. UNION SPONSORED PENSION PLANS

Some Authority employees are participants in certain pension plans administered by local unions and contributions are made in accordance with terms of the union agreements of those employees. There are about six active unions participating in their own pension plans in accordance with each specific union agreement and based on each of the applicable union job trades. The total combined employer contribution for all participating unions in 2024 was \$577,236 and equal to the required contribution for the year.

Union plan financial statements may be obtained by writing to the relevant address below:

Local 825 (Operating Engineers) 65 Springfield Ave Springfield, NJ 07081	Local 68 (HVAC) PO Box 534 West Caldwell, NJ 07006	Local 1412 (Security/EMT) 905 16th Street Washington, DC 20006
Local 560 (Teamsters) PO Box 8037 Summit Avenue Station Union City, NJ 07087	Local 164 (Electricians) 425 Eagle Rock Avenue Suite 105 Roseland, NJ 07068	Local 472 (Laborers) 700 Raymond Blvd Newark, NJ 07105

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N. UNION SPONSORED PENSION PLANS (CONTINUED)

Mass Withdrawal Liability and Annual Payments Related to Local 137

During 2007, the Authority withdrew from the pension plan of Local 137 (Mutuels) causing a mass withdrawal termination for that plan. Based upon this termination, the Authority is obligated to make annual payments to satisfy the employer's contribution.

In fiscal year 2024, the Authority entered into a settlement agreement with the pension plan of Local 137. In February 2024, the Authority received \$14 million from the New Jersey Department of Treasury to pay the plan for the Meadowlands Racetrack and Monmouth Park Withdrawal Liabilities, fulfilling its obligation in entirety for Monmouth Park. In July 2024, the Authority received an additional \$7 million to make another payment toward the plan for the Meadowlands Racetrack liability. The remaining obligation as of December 31, 2024, is approximately \$6.8 million and is recognized in the 2024 financial statements. The Authority will make quarterly cash payments to cover this liability. (See Note Y Subsequent Events for additional information.)

Mass Withdrawal Liability and Annual Payments Related to Other Unions

In April 2010, withdrawal demand notices were recognized for Local 734, the amount of the obligation is \$196,720 with annual payments of \$9,836. The amount of the Authority's obligation at December 31, 2024, was \$50,819.

In May 2012, withdrawal demand notices were recognized for Teamsters Local 469, the amount of the obligation is \$3.1 million with annual payments of \$152,720. The amount of the Authority's obligation at December 31, 2024, was \$1,221,760.

In February 2017, withdrawal demand notices were recognized for Teamsters Local 560, the amount of the obligation was \$4,420,627. The Authority will make annual payments of \$221,031. The amount of the Authority's obligation at December 31, 2024, was \$2,670,796.

O. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Authority participates in a cost sharing multiple-employer defined post-retirement benefit plan (the "Plan"), which is administered by the State. The Plan provides continued health care benefits to employees retiring after twenty-five years of service. Benefits, contributions, funding and the manner of administration are determined by the State. The Division charges the Authority for its contributions. The total number of participants eligible for benefits was 180 at December 31, 2024. The Authority's contribution to the Plan for the year ended December 31, 2024, was \$2,920,541.

Please refer to the State website, www.state.nj.us for more information regarding the Plan. The Plan's financial report may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

General Information about the OPEB Plan

The Authority participates in the State Health Benefit Local Government Retired Employees Plan (the "Plan") which is a cost-sharing multiple-employer defined benefit other post-employment benefit ("OPEB") plan with a special funding situation. 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* (GASB Statement No. 75);

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NOTES TO FINANCIAL STATEMENTS

O. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information about the OPEB Plan (Continued)

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 www.state.nj.us/treasury/pensions/financial-reports.shtml.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer-paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post-retirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer.

Further, the law provides that the employer-paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire within 25 years of service or on a disability from an employer who does not provide post-retirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The Authority is in a nonspecial funding situation, therefore, coverage under Chapter 330 does not apply.

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated net OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2023 through June 30, 2024.

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NOTES TO FINANCIAL STATEMENTS

O. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The Authority is in a nonspecial funding situation, therefore, coverage under Chapter 330 does not apply.

Components of Net OPEB Liability

The components of the Authority's net OPEB liability as of June 30, 2024, are as follows:

	June 30, 2024
Total OPEB liability	\$ 41,464,189
Plan Fiduciary Net Position	(367,229)
Net OPEB Liability	<u>\$ 41,831,418</u>
 Plan Fiduciary Net Position as a % of total OPEB liability	 (0.89%)

Actuarial Assumptions

The net OPEB liability as of June 30, 2024, was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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NOTES TO FINANCIAL STATEMENTS

O. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

Salary increases*

PERS

All future years 2.75 - 6.55%

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

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

One-hundred percent of active members are considered to participate in the Plan upon retirement.

Mortality Rates

Pre-retirement, post-retirement and disabled retiree 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.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024, was 3.93%. 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.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

At June 30, 2024		
At 1% Decrease (2.93%)	At Current Discount Rate (3.93%)	At 1% Increase (4.93%)
\$ 48,729,094	\$ 41,831,418	\$ 36,306,993

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O. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the net OPEB liability as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At June 30, 2024		
At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
\$ 35,380,841	\$ 41,831,418	\$ 50,125,047

Deferred Outflows of Resources and Deferred Inflows of Resources

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,118,466	\$ 7,087,681
Changes in assumptions	6,993,422	6,943,752
Net difference between projected and actual investment earnings on pension plan investments	-	18,935
Changes in proportion	7,543,912	2,037,552
Authority contributions made after measurement date	1,467,844	-
Total	<u>\$ 18,123,644</u>	<u>\$ 16,087,920</u>

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

Years Ending December 31,	OPEB
2025	\$ (10,248,483)
2026	930,308
2027	1,522,240
2028	547,539
2029	424,472
Thereafter	1,885,445
	<u>\$ (4,938,480)</u>

Changes in Proportion

The previous amounts do not include employer-specific deferred outflows of resources and deferred inflows of resources related to the changes in proportion. These amounts will be recognized (amortized) by the Authority over the average remaining service lives of all plan members, which are 7.89, 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2024, 2023, 2022, 2021, 2020, 2019, 2018, and 2017 amounts, respectively.

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P POLLUTION REMEDIATION COSTS

Effective 2008, pollution remediation costs were recognized as a liability on the statement of financial position and an operating expense provision was made in the statement of revenues, expenses and changes in net position in accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The remediation involves current and future activities related to testing, recovery and cleanup of soil, subsurface water and ground level streams at various Authority sites. Contaminated sites include Meadowlands-Xanadu, the new stadium area, and the Meadowlands and Monmouth racetracks. The Authority estimates the cost to be \$8,131,000. The total payments made since 2007 were \$6,346,000, and charged to the statements of revenues, expenses and changes in net position in each respective year. Estimated future expense for environmental remediation is \$1,825,000 and is reflected on the statement of net position. Estimated recovery related from remediation reduces the measurement of this liability. There was no remediation recovery on the above sites during 2024. The Authority is currently pursuing remediation recovery methods and assumptions used including historical data and engineering estimates. The pollution remediation liability is an estimate and is subject to changes resulting from price increases or reductions, technology, or changes in applicable laws and regulations.

Q. CLOSURE AND POST-CLOSURE REQUIREMENTS

The Authority has set aside funds for closure and post-closure for its landfills. In the event the monies in the statutory accounts are not sufficient, the State will address any future liabilities for closure and post-closure for its landfills. The assumption of this liability by the State occurred in CY2003, when the Authority transferred \$50 million from its closure and post-closure accounts to the State's General Fund to meet its statutory obligations under the New Jersey State 2003-2004 budget.

R. KEEGAN LANDFILL

Air Pollution Compliance

On March 22, 2019, NJSEA entered into an Administrative Consent Order (“ACO”) with the NJ DEP regarding noncompliance with N.J.A.C. 7:27- 7.3 at the Keegan Landfill. The noncompliance was regarding emission of Hydrogen Sulfide (H₂S) in a concentration greater than 30 parts per billion by volume (ppbv) over a 30 minute period. The ACO requires NJSEA to take all actions that may be necessary to maintain compliance with the Air Pollution Control Act. As a result of an ACO between NJSEA and NJDEP, the NJSEA has installed a gas collection and monitoring system to remediate the hydrogen sulfide (H₂S) emissions from the landfill.

On May 24, 2019, the Hudson County Superior Court issued an injunction closing the Keegan Landfill. An appellate court reversed the injunction on May 31, 2019, allowing the landfill to reopen. On June 12, 2019, the New Jersey Supreme Court reinstated the decision of the Hudson County Superior Court, closing the landfill until a plenary hearing on July 25, 2019.

On September 30, 2019, the Hudson County Superior Court, Chancery Division issued a ruling on the plenary hearing held on July 25, 2019. It was the opinion of the court that the temporary injunction to close the Keegan Landfill be made final and the landfill be closed permanently. On November 1, 2019, the Authority filed a motion for leave to appeal in the Appellate Division to address the mistaken findings of fact and applications of law made by the Chancery Division in the Keegan Landfill matter regarding the landfill closing. On December 10, 2019, the Appellate Division granted the motion for leave to appeal the permanent injunction issued by the Chancery Division.

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NOTES TO FINANCIAL STATEMENTS

R. KEEGAN LANDFILL (CONTINUED)

Air Pollution Compliance (Continued)

On December 19, 2019, the Board of Commissioners of NJSEA approved Resolution 2019-48, authorizing the President and CEO to take the necessary steps to settle the matters regarding the Keegan Landfill and the Town of Kearny. The settlement will be in the form of a Judicial Consent Order and will memorialize, among other terms, the permanent closure of the Keegan Landfill.

On March 6, 2020, the Judicial Consent Order memorialized the closing of the Keegan Landfill, among other settlement terms.

Pursuant to one of the terms of the Judicial Consent Order, clear cover material was imported into the sight as part of capping and contouring the landfill. The Keegan Landfill stopped accepting cover material on December 31, 2021.

S. MEADOWLANDS AREA GRANTS FOR NATURAL AND ECONOMIC TRANSFORMATION (MAGNET)

In calendar year 2005, the MAGNET Fund was launched. The purpose of the MAGNET Fund is to foster continued revitalization in the Meadowlands and ensure continued growth and improvement in the region both environmentally and economically. As of December 31, 2024, the fund balance in the MAGNET Fund was \$1,782,052, of which \$500,000 was committed to project commitments.

T. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2024, consist of the following:

<u>Due from Other Funds</u>	<u>Fund</u>	<u>Due to Other Funds</u>
	<u>Governmental Funds</u>	
\$ 1,363,195	General Fund	\$ 71,649,552
295,829	Environmental Center	5,826,704
1,085,015	MAGNET	784,063
267,319	MRRRI	5,208,875
11,294	Study	-
	<u>Enterprise Fund</u>	
73,776,360	Sports Complex Fund	869,858
29,088,931	Solid Waste	21,261,951
	<u>Fiduciary Funds</u>	
26,517	Mitigation Trust	1,614,875
674,465	Transportation Planning District	432,128
-	Grandstand	5,941
<u>1,065,022</u>	International Events	<u>-</u>
<u>\$ 107,653,947</u>	Total	<u>\$ 107,653,947</u>

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

U. RISK MANAGEMENT

Property and Liability Insurance

The Authority maintains commercial insurance coverage for property, liability and surety bonds that covers the risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage.

New Jersey Unemployment Compensation Insurance

The Authority has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the Authority is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Authority is billed quarterly for amounts due to the State. There were no reimbursements which were required to be paid to the State for the current year.

V. COMMITMENTS AND CONTINGENCIES

The Authority is exposed to risks of losses related to injuries to employees. The Authority has established a risk management program to account for and finance its uninsured risks of loss related to workmens' compensation. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Claims are based on actuarial valuation.

Workmens' compensation claims liability, claims incurred and claims paid are provided below.

Reconciliation of Workmen's Compensation Claims Liability

	<u>2024</u>
Claims - January 1	\$ 6,204,290
Increase in provision	1,351,805
Claims paid	<u>(1,353,184)</u>
Claims - December 31	<u>6,202,911</u>
Less: current portion	<u>1,353,184</u>
Long-term liability	<u>\$ 4,849,727</u>

On June 14, 2004, the Authority entered into a Participation agreement to license and operate an account wagering system in New Jersey pursuant to the Off-Track and Account Wagering Act (P.L. 201, c. 199) and the regulations promulgated by the New Jersey Racing Commission. Under the agreement the Authority began operating an on-line account wagering system and has contributed 70% of start-up costs for the project, appointed an Operating Board, and conducts and accounts for all day-to-day operations in return for 70% of available net project revenues or losses as defined by the agreement. The Authority's 70% financial interest was transferred to the

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

V. COMMITMENTS AND CONTINGENCIES (CONTINUED)

New Meadowlands Racetrack (35%) and the NJTHA (35%) as part of a long-term lease agreement to assume the operating rights of the racetracks and off-track wagering sites.

On October 21, 2009, the Authority undertook a project consisting of construction of a new storm water basin and to purchase equipment for the project in order to alleviate storm water runoff at Monmouth Park Racetrack. The total cost for the equipment and the project is estimated at \$26,600,000, which includes capitalized interest, debt service and administrative expenses, and will be financed through loans from the New Jersey Environmental Infrastructure Trust and the NJDEP. The Borough of Oceanport applied for the project loan (not to exceed \$23,500,000), and the Authority applied for the equipment loan (not to exceed \$850,000) with the above financing authorities. The Authority pays the Borough a special assessment that is substantially similar to the Borough's loan repayment schedule and manages the project at its own cost. The project was completed in 2012. Repayment of the loans began in 2010 and ends in 2029.

W. CONCENTRATION OF RISK

The State appropriated and remitted to the Authority \$40.4 million in state aid. This amount is used to fund the General Fund, Sports Complex, Solid Waste, MRRRI and EC operations. The State appropriated and remitted to the Authority an additional \$21 million in state aid for the Sports Arena Employees' Local No. 137 Retirement Plan for the Meadowlands Racetrack and Monmouth Park Racetrack Withdrawal Liability.

X. SIGNIFICANT EVENTS

2026 World Cup

In collaboration with the City of New York, New Jersey was selected in June 2022 as one of sixteen North American cities to host Federation Internationale de Football Association's ("FIFA") 2026 World Cup Soccer Matches. A total of eight games, including the final match will be held at the Stadium. The Sports Complex continues to facilitate upgrades and modifications in preparation for the 2026 World Cup.

International Events, Improvements and Attractions

In September 2024, the NJSEA received \$30M from the New Jersey Department of Treasury to continue to fulfill its commitments to FIFA made under the Hosting Agreements to undertake the hosting of the 2026 FIFA World Cup and to promote tourism and stimulate economic activity.

American Dream Project

On March 3 2023, the Borough of East Rutherford filed suit in the Superior Court of New Jersey, Bergen County against Ameream LLC and NJSEA in connection with unpaid PILOT payments in relation to the American Dream Project. While these payments are essentially as pass-through payment through the Authority, NJSEA has potential exposure in excess of \$11 million, which is expected to increase as future payments become due. The parties continue to work toward a resolution of this matter.

In April 2024, a settlement was reached with Ameream, LLC to pay outstanding receivables through April 30, 2024. Additional bad debt allowance was recorded to reflect the terms of the settlement.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

X. SIGNIFICANT EVENTS (CONTINUED)

Monmouth Park

In August 2024, the NJSEA entered into an amended and restated lease with Darby Development for the day-to-day management and operations of the Monmouth Park Racetrack, following the NJTHA transferring the current lease to Darby Development. See Note J for more information.

Sports Complex Pedestrian Bridge

In December 2024, the NJSEA entered into a contract for the design-build of a new additional pedestrian bridge north of the existing bridge in the amount of \$33.5M. The bridge will be funded through a New Jersey Department of Transportation grant in the amount of \$25M and State Fiscal Recovery Funds in the amount of \$10M.

State Fiscal Recovery Funds

In December 2024, the NJSEA entered into a Memorandum of Understanding with the New Jersey Department of Community Affairs to receive \$24.5M in State Fiscal Recovery Funds due to the COVID-19 negative economic impact. These funds will be used to provide \$10M toward the construction of the new pedestrian bridge, \$7.1M to help secure rights to host the WWE SummerSlam 2025 at MetLife Stadium, \$5.4M to purchase necessary emergency response equipment and vehicles in preparation for the 2026 World Cup and \$2M for the Meadowlands Convention & Visitors Bureau to fund a scoping study examining the potential redevelopment of the Meadowlands Complex, including the potential construction of a convention center.

Y. SUBSEQUENT EVENTS

Sports Arena Employees' Local No. 137 Retirement Plan-Meadowlands Racetrack and Monmouth Park Withdrawal Liability

In July 2025, the NJSEA received \$6.8M from the New Jersey Department of Treasury to pay the remaining liability relating to the Sports Arena Employees' Local No. 137 Retirement Plan for the Meadowlands Racetrack fulfilling its obligation in entirety.

American Dream

In August 2025, the Borough of Paramus filed suit against NJSEA, American Dream, the County of Bergen and the borough of East Rutherford in relation to the operation of retail stores on Sunday allegedly in violation of Bergen County's Sunday Closing Laws. NJSEA's potential exposure in this matter is unclear at this time. NJSEA has been granted an extension of time to respond to the complaint or otherwise plead until December 22, 2025.

International Events, Improvements and Attractions

In October 2025, the NJSEA received \$13M from the New Jersey Department of Treasury to continue to fulfill its commitments to FIFA made under the Hosting Agreements to undertake the hosting of the 2026 FIFA World Cup and to promote tourism and stimulate economic activity.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET
VERSUS ACTUAL – (UNAUDITED)**

Year Ended December 31, 2024

	Original Budget	Actual	Variance Higher/(Lower)
Revenues			
East Rutherford			
NMSCO Ground Lease	\$ 6,300,000	\$ 6,300,000	\$ -
NMR Shared Services	8,580,000	8,938,679	358,679
Arena Revenue	2,700,000	1,330,315	(1,369,685)
Monmouth Park Reimbursables	2,000,000	2,352,532	352,532
American Dream Ground Lease & Shared Services	6,448,934	6,464,518	15,584
(2) Convention Center	-	2,966,181	2,966,181
(2) Tourism Tax Revenue	-	6,847,861	6,847,861
Misc. Other	1,292,200	3,966,542	2,674,342
Total - East Rutherford	<u>27,321,134</u>	<u>39,166,628</u>	<u>11,845,494</u>
Lyndhurst			
Lease Revenues	1,897,573	1,770,069	(127,504)
Land Use Fee Income	800,000	659,271	(140,729)
Misc. Other	925,000	2,432,866	1,507,866
Total - Lyndhurst	<u>3,622,573</u>	<u>4,862,206</u>	<u>1,239,633</u>
Solid Waste Misc. Other	-	674,479	674,479
Total Revenues	<u>30,943,707</u>	<u>44,703,313</u>	<u>13,759,606</u>
Expenditures			
East Rutherford			
Salaries/Fringe	8,206,130	7,362,021	(844,109)
Utilities	3,981,231	3,716,905	(264,326)
New Jersey Racing Commission	3,120,000	2,163,538	(956,462)
Professional Services	7,174,440	8,495,305	1,320,865
Pension	1,550,000	(4,453,442)	(6,003,442)
Workers Compensation	1,000,000	912,426	(87,574)
Repairs/Maintenance - Building/Other	4,251,864	1,730,181	(2,521,683)
(2) Convention Center	-	8,210,433	8,210,433
Total East Rutherford	<u>29,283,665</u>	<u>28,137,367</u>	<u>(1,146,298)</u>
Lyndhurst			
Salaries/Fringe	13,930,672	14,032,589	101,917
Services	4,778,249	2,777,354	(2,000,895)
Capital, Repairs & Maintenance	1,485,910	907,270	(578,640)
Ramapo Partnership	550,000	550,000	-
Misc. Other	432,350	117,200	(315,150)
Total Lyndhurst	<u>21,177,181</u>	<u>18,384,413</u>	<u>(2,792,768)</u>
Solid Waste Operating Expenses	5,979,707	4,297,365	(1,682,342)
Total Expenditures	<u>56,440,553</u>	<u>50,819,145</u>	<u>(5,621,408)</u>
Total Operating Gain/(Loss)	<u>(25,496,846)</u>	<u>(6,115,832)</u>	<u>19,381,014</u>
Other Revenues and Expenditures			
State Appropriations	38,000,000	61,376,000	23,376,000
Business-type depreciation and amortization	-	(4,873,410)	(4,873,410)
Adjustments related to GASB 87 Leases	-	7,348,574	7,348,574
PILOT / Property Taxes / CAFO	(12,503,154)	(13,006,368)	(503,214)
Total Non-operating Revenues & Expenditures	<u>25,496,846</u>	<u>50,844,796</u>	<u>25,347,950</u>
Excess of revenues over expenditures (governmental funds basis)	<u>\$ -</u>	<u>\$ 44,728,964</u>	<u>\$ 44,728,964</u>
Amounts reported for Governmental Activities in the statement of revenues, expenditures and changes in fund balance are different because of:			
Capital outlays		\$ 294,684	
Depreciation expense		(676,809)	
Compensated absences		(58,833)	
Pension obligation		349,398	
Post employment healthcare benefits, other than pension obligation		1,162,317	
Excess of revenues over expenditures		<u>45,799,721</u>	
Net position, beginning of year		<u>158,264,924</u>	
Net position end of year		<u>\$ 204,064,645</u>	

(1) NJSEA policy is to prepare an entity-wide budget for its operations and does prepare budgets by major funds.

(2) Wildwoods Convention Center activities are not budgeted by NJSEA. Budgets for Wildwoods Convention Center are prepared by the Greater Wildwoods Tourism Improvement & Development Authority (GWTIDA).

See independent auditors' report.

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY (A Component Unit of the State of New Jersey)

SCHEDULE OF THE AUTHORITY'S, PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – PUBLIC EMPLOYEES RETIREMENT SYSTEM – (UNAUDITED)

December 31, 2024

	PERS - Last 10 Fiscal Years									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.1179422250%	0.1081986707%	0.1107946705%	0.1134734513%	0.1084811440%	0.0997146684%	0.0950367800%	0.1013676481%	0.1376070051%	0.1714730000%
Authority's proportionate share of net pension liability	\$ 16,026,043	\$ 15,816,744	\$ 16,720,441	\$ 13,442,632	\$ 17,690,438	\$ 17,987,071	\$ 18,712,270	\$ 23,596,769	\$ 40,755,248	\$ 38,492,333
Authority's covered-employee payroll	9,707,647	9,023,568	8,262,310	8,138,507	8,147,626	7,706,813	7,244,806	6,805,889	7,863,473	12,049,996
Authority's proportionate share of net pension liability as a % of payroll	165.09%	175.28%	202.37%	165.17%	217.12%	233.13%	258.29%	346.71%	511.78%	319.44%
Total pension liability	50,851,373	45,871,006	45,456,243	45,797,395	42,777,145	41,373,076	40,325,601	45,465,790	68,080,650	73,921,290
Plan fiduciary net position	34,825,330	30,054,262	28,737,802	32,354,763	25,086,707	23,406,005	21,613,333	21,869,021	27,325,402	35,429,038
Plan fiduciary net position as a % of total pension liability	68.48%	65.52%	63.22%	70.65%	58.65%	56.57%	53.60%	48.10%	40.14%	47.93%

- The discount rate changed from the measurement date of June 30, 2014 of 5.39% to 4.90% as of the measurement date of June 30, 2015.
- The discount rate changed from the measurement date of June 30, 2015 of 4.90% to 3.99% as of the measurement date of June 30, 2016.
- The discount rate changed from the measurement date of June 30, 2016 of 3.96% to 5.00% as of the measurement date of June 30, 2017.
- The discount rate changed from the measurement date of June 30, 2017 of 5.00% to 5.68% as of the measurement date of June 30, 2018.
- The discount rate changed from the measurement date of June 30, 2018 of 5.68% to 6.28% as of the measurement date of June 30, 2019.
- The discount rate changed from the measurement date of June 30, 2019 of 6.28% to 7.00% as of the measurement date of June 30, 2020.
- The discount rate of 7.00% as of the measurement date of June 30, 2021 was unchanged from the June 30, 2020 measurement date.
- The discount rate of 7.00% as of the measurement date of June 30, 2022 was unchanged from the June 30, 2021 measurement date.
- The discount rate of 7.00% as of the measurement date of June 30, 2023 was unchanged from the June 30, 2022 measurement date.
- The discount rate of 7.00% as of the measurement date of June 30, 2024 was unchanged from the June 30, 2023 measurement date.

See independent auditors' report.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

SCHEDULE OF CONTRIBUTIONS – PUBLIC EMPLOYEES RETIREMENT SYSTEM – (UNAUDITED)

Year Ended December 31, 2024

	PERS - Last 10 Fiscal Years									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,604,881	\$ 1,459,471	\$ 1,397,174	\$ 1,328,906	\$ 1,186,729	\$ 969,930	\$ 945,309	\$ 939,063	\$ 1,222,481	\$ 1,474,211
Contributions in relation to the contractually required contribution	1,604,881	1,459,471	1,397,174	1,328,906	1,186,729	969,930	945,309	939,063	1,222,481	1,474,211
Authority's covered employee payroll	9,707,647	9,023,568	8,262,310	8,138,507	8,147,626	7,706,813	7,244,806	6,805,889	7,963,473	12,049,996
Contributions as a % of covered employee payroll	16.53%	16.17%	16.91%	16.33%	14.57%	12.59%	13.05%	13.80%	15.35%	12.23%

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
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SCHEDULE OF CONTRIBUTIONS – OTHER POST-EMPLOYMENT BENEFITS – (UNAUDITED)

Year Ended December 31, 2024

	Last 9 Fiscal Years								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net OPEB liability	0.233624%	0.238975%	0.201403%	0.200855%	0.204415%	0.190465%	0.198912%	0.194440%	0.238124%
Proportionate share of net OPEB liability	\$ 41,831,418	\$ 35,861,878	\$ 32,525,770	\$ 36,153,461	\$ 36,685,569	\$ 25,800,524	\$ 31,162,783	\$ 39,696,460	\$ 51,714,386
Contributions	2,920,541	2,830,389	2,527,801	2,431,458	2,344,932	2,395,835	3,035,347	3,212,357	1,711,300.93*

1) In accordance with the Governmental Accounting Standards Board, the Authority is required to present ten years of detail in the above Schedule of Authority's Contributions and Schedule of Authority's Proportionate Share of Net OPEB Liability and Contributions, however, only nine years of data are available at this time.

* Only contributions related to retirees are reported for 2016. Data for contributions related to active employees, net of employee deductions are unavailable at this time.

INDEPENDENT AUDITORS' 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

To the Honorable Chair and Members of the New Jersey Sports and Exposition Authority Lyndhurst, 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the New Jersey Sports and Exposition Authority (the "Authority"), as of and for the year then ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 25, 2025. Our report qualified our opinion on the business-type activities and the Sports Complex Enterprise Fund because the Authority chose not to provide a fair value measurement regarding the closure of its entertainment arena located in East Rutherford, New Jersey, following its closure in 2015 and therefore, the amount of any impairment loss cannot be determined; and because the Authority did not fully implement Governmental Accounting Standards Board Statement No. 78.

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) in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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. 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.

INDEPENDENT AUDITORS' 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 (CONTINUED)

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. 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 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.

Mercadieu, P.C.

Certified Public Accountants

November 25, 2025

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None reported.

**NEW JERSEY SPORTS AND EXPOSITION AUTHORITY
(A Component Unit of the State of New Jersey)**

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None reported.