NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, AUGUST 6, 2025 AT 9:00 A.M.
32 E. FRONT STREET, TRENTON, NJ
JOSEPH A. MCNAMARA BOARD ROOM

1. **NOTICE OF PUBLIC MEETING/PLEDGE OF ALLEGIANCE**

2. **ROLL CALL**

3. **APPROVAL OF MEETING MINUTES**
    a. Board Open Session Meeting Minutes of July 2, 2025

4. **AUTHORITY MATTERS**
    a. CEO Report

    b. Chairman's Report

5. **REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)**
    a. 2024 Audited Financial Statements

    b. 2024 Annual Report Pursuant to Executive Order No. 37 **[PLACEHOLDER]**

6. **MONTHLY REPORTS**
    a. *For Informational Purposes*
        i. Active Projects Report
        ii. Project Status Reports
        iii. Contracts Executed Report/Amendments & Change Orders Executed Report
        iv. Diversity and Workforce Participation Report
        v. Regular Operating District Grant Activity Report
        vi. Communications Report *(no report)*
        vii. Monthly Financial Report

7. **EXECUTIVE SESSION**
    a. Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)
        CCD Report

8. **REQUEST MOTION TO ADJOURN PUBLIC MEETING**

APPROVAL OF MEETING MINUTES

July 2, 2025 Open Session Minutes

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, JULY 2, 2025

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, July 2, 2025 at 9:30A.M. in the Joseph A. McNamara Board Room at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Robert Nixon, Public Member, Chairman
Juan Burgos (EDA)
Kevin Luckie (DCA)
David Moore (Treasury)
Bernard Piaia (DOE)
John Capo, Public Member
Joseph DeCotiis, Public Member
Lester Lewis-Powder, Public Member
Michael Maloney, Public Member
Nicole Vecchione, Public Member
Mario Vargas, Public Member

being a quorum of the Members of the Board. Mr. Nixon, Mr. Burgos, Mr. Capo, Mr. DeCotiis, Mr. Lewis-Powder, Mr. Moore, Mr. Maloney, Mr. Piaia, Mr. Vargas and Ms. Vecchione participated by teleconference.

At the Chairman's request, Manuel Da Silva, chief executive officer; Laurette Pitts, vice president and chief financial officer; Janice Venables, vice president and assistant secretary; and Ramy Kamel, vice president of the SDA participated in the meeting. Jamera Sirmans of the Governor's Authorities Unit also participated in the meeting by teleconference.

Pledge of Allegiance

Led by Mr. Da Silva, the assembled Members stood and recited the Pledge of Allegiance.

The meeting was called to order by Mr. Nixon, who requested that Ms. Venables read the requisite notice of public meeting. Ms. Venables announced that the meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting, and was duly posted on the Secretary of State's bulletin board at 225 West State Street in Trenton, New Jersey and on the SDA Website. Ms. Venables then conducted a roll call and indicated that a quorum of the Members of the Board was present.

Approval of Meeting Minutes

The Chairman presented for consideration and approval the minutes of the Board's June 4, 2025 Open Session meeting. A copy of the meeting minutes and a resolution was provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Piaia, the Open Session minutes of the June 4, 2025 SDA Board meeting were approved with the Members' vote in favor of the resolution attached hereto as ***Resolution 3a.***

Authority Matters

CEO's Report

Mr. Nixon asked Mr. Da Silva for the report of the CEO. Mr. Da Silva provided an update on design-build projects in the design phase. He said that for the Garfield New Elementary School project, Dobco, Inc. is working on site work and the foundation package has been released and permits have been issued.

Turning to design-build projects in construction, Mr. Da Silva reported that the Union City New Grade 7-9 School project is scheduled for delivery this fall. He added that the interior finishes and Department of Community Affairs inspections continue on all floors. He said that fire alarm and generator testing is ongoing. He noted that 2nd through 5th floor classroom and office space furniture is being delivered and installed. He noted that first floor work in the cafeteria/kitchen areas, gym and site work are ongoing focused on end of July substantial completion. He said that the Union City's streetscape project is advancing.

Next, Mr. Da Silva gave an update on projects with active early site preparation. He advised that Early Site Package work has commenced and the design-build package has been advertised for the West New York Middle School project.

With respect to projects in the procurement stage, Mr. Da Silva reported that for the Bridgeton High School Additions and Renovations project, the design-builder and construction manager were advertised mid-May and late June respectively, with bids due for both procurements in late July. For the Elizabeth New Elementary School project, he said that the design-build award is on today's agenda. With respect to the Pleasantville New Elementary School project, he informed the Members that management anticipates issuance of the early site preparation contract notice-to-proceed next week. He added the advertisement for the new elementary school is anticipated later this month. For the Trenton New Elementary School project, he advised that the bids are due the 15th of this month.

School Review Committee

Next, Mr. Luckie said that School Review Committee met on June 16, 2025 at which time one item was discussed. He reported that management is seeking Board approval of a Design-Build award and Final Project Charter for the Elizabeth New Grade Pre-K to 8 School (School or Project). He said that by way of background, the School will consist of the construction of an approximately 146,000 square foot facility to educate 973 students in grades Pre-Kindergarten through 8. He advised that on November 2, 2022, the Members approved the preliminary project charter, thereby approving the demolition of the old school and construction of a new elementary school facility and related site development work utilizing in-house design and a design-build delivery method. He said that a package for design-build services was advertised beginning March 4, 2025 with “price” weighted as 60% of the overall weight and “all non-price factors” having a combined weight of 40%. He explained that upon completion of the competitive procurement process, the construction operations directors and the financial operations director recommend award of the contract to the highest ranked bidder, Terminal Construction Corporation, in the amount of $76,800,000, inclusive of SDA-established allowances totaling $1,100,000. Mr. Luckie reported that along with the contract award, SDA executive management recommends that the Members approve the Final Project Charter as presented to the Board on this date and representing all expended and projected funds necessary for completion of the Project. He said that prior to execution of the contract, the contract and related documentation will be reviewed and approved by the SDA Division of Chief Counsel.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Piaia, the Board approved a Design-Build award and Final Project Charter for the Elizabeth New Grade Pre-K to 8 School with its unanimous vote in favor of ***Resolution 5a.***

Public Comments

At this time Mr. Nixon announced that the public comments portion of the Meeting will commence consistent with the New Jersey Open Public Meetings Act. There were no speakers present.

Adjournment

There being no further business to come before the Board, upon motion by Chairman Nixon and with unanimous consent, the meeting was adjourned.

Certification: The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its July 2, 2025 meeting.

/s/ Janice Venables
Assistant Secretary

Resolution—3a.

Approval of Minutes

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Schools Development Authority be approved by the Authority's Board of Directors; and

WHEREAS, pursuant to Section 3(k) of P.L. 2007, Chapter 137, the minutes of the July 2, 2025 Board meeting of the New Jersey Schools Development Authority, for the Open Session were duly forwarded to the Office of the Governor following the meeting.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's July 2, 2025 Open Session meeting is hereby approved.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Dated: August 6, 2025

AUTHORITY MATTERS

CEO REPORT

CHAIRMAN'S REPORT

REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE
(CHAIRMAN'S REPORT)

2024 Audited Financial Statements

MEMORANDUM

TO: The Members of the Authority

FROM: Sherman E. Cole, MBA, CPA /s/
Controller

DATE: August 6, 2025

SUBJECT: 2024 Audited Financial Statements

Background

The 2024 financial statement audit was performed by PKF O'Connor Davies LLP (PKF). PKF performed their audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States in accordance with U.S. Generally Accepted Auditing Standards.

Later this month, as communicated to the Audit Committee on July 21, 2025, PKF is expected to issue an unmodified or "clean" audit opinion on the 2024 financial statements. An unmodified opinion is the highest level of assurance an auditor can give in a financial statement audit. Separately, in accordance with *Government Auditing Standards,* PKF will also issue a report on internal control over financial reporting and on compliance and other matters. In this report, as communicated to the Audit Committee, PKF is expected to affirm their audit did not identify any deficiencies in internal control they considered to be material weaknesses, and the results of their tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Audit Committee Review

On July 21, 2025, the Audit Committee was provided a draft of the 2024 audited financial statements, accompanied by a financial analysis, prepared by staff, of key amounts including sensitive accounting estimates, reserves and accruals, and judgmental areas. Additionally, PKF presented their audit results and required communications in accordance with Statement of Auditing No. 114. At the conclusion of PKF's presentation, the Audit Committee agreed to advance the draft 2024 financial statements to the Members of the Authority for final approval.

Recommendation

The Members of the Authority are recommended to approve the attached 2024 draft audited financial statements as required by Executive Order 122 (2004), as amended by Executive Order 37 (2006). Following the Board's approval and expiration of the mandatory gubernatorial veto period, a copy of the 2024 financial statements will be posted on the SDA web site and included in the Authority's 2024 Annual Report.

Attachment

Audit Committee
Draft 7/10/25

STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

(a component unit of the State of New Jersey)

FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended December 31, 2024

New Jersey Schools Development Authority
(a component unit of the State of New Jersey)

Financial Statements and Required Supplementary Information

For the Year Ended December 31, 2024

Contents

This section of the New Jersey Schools Development Authority's (the "Authority" or "SDA") annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended December 31, 2024. This management discussion and analysis should be read in conjunction with the Authority's financial statements and accompanying notes.

2024 Financial Highlights

- At year end, the Authority's net position is $39.9 million.
- At year end, cash and cash equivalents total $320.4 million.
- For the year, revenues total $158.8 million, consisting primarily of appropriations from the State (69.7%), inclusive of grant funding from the Debt Defeasance and Prevention Fund ("Debt Defeasance Appropriations"), and grant funding from the Federal Coronavirus Capital Projects Fund ("CPF") (18.8%).
- For the year, expenses total $271.8 million, $259.1 million (95.3%) of which is for school facilities project costs.
- For the year, General Fund Expenditures exceed General Fund Revenues by $92.1 million.

Overview of the Financial Statements

The financial section of this annual report consists of three parts: Management's Discussion and Analysis, the basic financial statements, and required supplementary information. The Authority's basic financial statements consist of three components: 1) government-wide financial statements 2) governmental fund financial statements (these are also referred to as the "general fund" financial statements) and 3) notes to financial statements. Because the Authority operates a single governmental program, its government-wide and governmental fund financial statements have been combined using a columnar format that reconciles individual line items of general fund financial data to government-wide data in a separate column on the face of the financial statement.

Government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the residual balance reported as net position. Over time, an increase or decrease in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Activities presents information showing how the Authority's Net Position changed during the most recent period. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal period.

Governmental fund financial statements are designed to provide the reader information about an entity's various funds. A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority operates a single governmental fund for financial reporting purposes and this fund is considered a general fund.

The focus of governmental fund financial statements is on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Authority's near-term financing requirements.

Because the focus of the governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental fund with similar information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Authority's near-term financing decisions. Both the Fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison.

Financial Analysis of the Authority

The Authority's net position decreased to $39.9 million at year-end, primarily due to expenditures for school facilities projects ($259.1 million) and administrative and general expenses ($12.8 million) exceeding total revenues ($158.8 million).

The following table summarizes the Authority's net position as of December 31, 2024 and 2023.

	$ In thousands			
	2024	2023	$ Increase/ (Decrease)	% Increase/ (Decrease)
Current assets	$ 322,324	$ 509,173	$ (186,849)	(36.7)%
Capital assets-net	4,033	5,670	(1,637)	(28.9)%
Total assets	326,357	514,843	(188,486)	(36.6)%
Deferred outflows of resources	11,149	7,357	3,792	51.5%
Total assets and deferred outflows of resources	**$ 337,506**	**$ 522,200**	**$ (184,694)**	**(35.4)%**
Current liabilities	$ 212,552	$ 286,936	$ (74,384)	(25.9)%
Non-current liabilities	55,540	52,101	3,439	6.6%
Total liabilities	268,092	339,037	(70,945)	(20.9)%
Deferred inflows of resources	29,541	29,638	(97)	(0.3)%
Net position	39,873	153,525	(113,652)	(74.0)%
Total liabilities, deferred inflows of resources and net position	**$ 337,506**	**$ 522,200**	**$ (184,694)**	**(35.4)%**

Note: All percentages are calculated using unrounded figures.

Significant Account Variances for Net Position

Current assets: The decrease is due primarily to lower cash and cash equivalents as a result of spending for school facilities projects, partially offset by appropriations received during the year for projects addressing emergent capital maintenance needs. Also contributing to the decrease is the reduction in the Federal CPF grant receivable as the majority of grant funds were received during the year.

Capital assets-net: The decrease is due primarily to depreciation and amortization expense being greater than capital asset additions during the year.

Deferred outflows of resources: The increase is due mainly to higher deferred outflows of resources associated with Other Postemployment Benefits ("OPEB") due to changes in assumptions.

Current liabilities: The decrease is due to lower accrued school facilities project costs, unearned revenues from debt defeasance appropriations realized during the year, and escrow deposits.

The following table summarizes the change in net position for the years ended December 31, 2024 and 2023.

	$ In thousands			
	2024	2023	$ Increase/ (Decrease)	% Increase/ (Decrease)
Revenues				
Appropriations from State	$ 50,000	$ 75,000	$ (25,000)	(33.3)%
Debt Defeasance & Prevention Fund	60,673	-	60,673	N/A
Federal CPF grant	29,897	22,534	7,363	32.7%
Investment earnings	18,243	17,917	326	1.8%
Other revenue	6	96	(90)	(93.8)%
Total revenues	158,819	115,547	43,272	37.4%
Expenses				
Administrative and general expenses	12,750	6,830	5,920	86.7%
School facilities project costs	259,067	228,660	30,407	13.3%
Total expenses	271,817	235,490	36,327	15.4%
Change in net position	(112,998)	(119,943)	6,945	5.8%
Beginning net position:				
Balance as previously stated	153,525	273,468	(119,943)	(43.9)%
Adjustment to beginning balance *	(653)	-	(653)	N/A
Beginning net position, as adjusted	152,872	273,468	(120,596)	(44.1)%
Ending net position	$ 39,874	$ 153,525	$ (113,651)	(74.0)%

Note: All percentages are calculated using unrounded figures.

* Restated for the effects of Governmental Accounting Standards Board Statement No. 101.

Significant Account Variances for the Change in Net Position

Appropriations from State: Budget appropriations received from the State in the current year were lower by $25 million than in the previous year. The State has sole discretion on how it funds the school's construction program.

Debt Defeasance & Prevention Fund: The Authority recognizes as revenues the amount spent during the year from the debt defeasance funds received by the Authority. The Authority recognized $60.7 million in debt defeasance revenues during the year as compared to nil during the previous year.

Federal CPF grant funding: The Authority recognizes as revenues the amount spent during the year from the Federal CPF grant funds received (or to be received) by the Authority. The amount of revenues recognized during the current year increased by approximately $7.4 million as a result of the completion of more construction work during the year for the Union City Grade 7-9 Community School project.

Administrative and general expenses: The increase is due to the pension credit recorded by the Authority in the prior year per the State's GASB 68 Allocation Report.

School facilities project costs: The increase is due mainly to higher spending for Regular Operating District grants and property acquisitions, and school furniture and fixture expenses. This is partially offset by lower SDA-managed construction project costs.

School Construction Program Authorized Funding and Disbursements

The Authority does not have an economic interest in any school facility project. With the exception of interest income on invested funds, the Authority does not generate substantial operating revenues, yet it incurs significant operating expenses to administer the School Construction Program. Costs related to school facilities projects are reported as school facilities project costs in the Statement of Activities. Program administrative and general expenses not identifiable specifically to school facilities projects are considered eligible project costs under Educational Facilities Construction & Financing Act ("EFCFA") and are therefore eligible to be paid from EFCFA funding. Program administrative and general expenses are also eligible to be paid from debt defeasance appropriations as stipulated in the Grant Agreement dated January 30, 2023. This agreement sets forth the terms and conditions for the provision of the Grant Amount, including among other things, audit requirements pertaining to the Grant as well as the schedule for disbursement of the grant amount which must be expended by June 30, 2032.

Through December 31, 2024, the Authority has received $11.8 billion of the $12.5 billion principal amount of bond proceeds authorized for the School Construction Program. An additional $2.25 billion of non-debt funding has similarly been authorized for the School Construction Program, including $1.9 billion appropriated on June 30, 2022 from the State of New Jersey Debt Defeasance and Prevention Fund, and $350 million approved in various state budgets. The annual distribution of funds to SDA from the Debt Defeasance and Prevention Fund is stipulated in a grant agreement between the New Jersey State Treasurer and the Authority. In accordance with the grant agreement, annual debt defeasance appropriations will continue through state fiscal year 2029. The schedule of grant payments may be adjusted as mutually agreed upon by the parties to ensure the Authority has sufficient funds to meet its current obligations.

Additionally, $56.1 million has been allocated to the Authority from the federally funded Coronavirus Capital Project Fund, through the New Jersey Department of Community Affairs ("DCA"), to partially fund the New Construction Union City Grade 7-9 Community School Program ("Program").

To date, the Authority has disbursed 82.7% of the currently authorized program funding, as follows:

	All Sources	Program Funding[1]	Disbursements	% Paid
SDA Districts	$ 10,906,826,150	$ 11,067,623,042	$ 9,071,524,584	82.0%
RODs Including Vo-Tech Schools	4,025,000,000	4,086,336,443	3,455,875,628	84.6%
Totals	$ 14,931,826,150	$ 15,153,959,485	$ 12,527,400,212	82.7%

1 Program funding includes the amounts authorized under the respective bonding caps in addition to approximately $222 million of interest income and miscellaneous revenue earned through December 31, 2024.

The 31 SDA Districts are located in 14 Counties throughout the State, as follows:

County	School District	County	School District
Atlantic	Pleasantville	Hudson	Union City
Bergen	Garfield	Hudson	West New York
Burlington	Burlington City	Mercer	Trenton
Burlington	Pemberton Township	Middlesex	New Brunswick
Camden	Camden	Middlesex	Perth Amboy
Camden	Gloucester City	Monmouth	Asbury Park
Cumberland	Bridgeton	Monmouth	Keansburg
Cumberland	Millville	Monmouth	Long Branch
Cumberland	Vineland	Monmouth	Neptune Township
Essex	East Orange	Passaic	Passaic City
Essex	Irvington	Passaic	Paterson
Essex	Newark	Salem	Salem City
Essex	Orange	Union	Elizabeth
Hudson	Harrison	Union	Plainfield
Hudson	Hoboken	Warren	Phillipsburg
Hudson	Jersey City		

In 2024, the SDA celebrated the completion of three capital plan school facilities projects, in three SDA Districts providing 4,505 new student seats. The total State investment in these projects was more than $350 million.

As of December 31, 2024, the SDA has one active capital construction project in the SDA Districts. In addition, pre-construction activity has commenced on several other capital projects. Furthermore, the Authority is currently in construction on two emergent need projects in the SDA Districts. Emergent need projects most often address roof repairs or replacements; deteriorating façades; water infiltration; heating and cooling system issues; and plumbing, electrical, mechanical and security systems. The Authority maintains separate program reserves to address such emergent conditions as well as unforeseen events.

From inception through December 31, 2024, the School Construction Program has completed 715 projects in the SDA Districts. The completed projects consist of: 97 new schools; 51 extensive addition, renovation and/or rehabilitation projects; 31 rehabilitation projects; 354 health and safety projects; and 182 Section 13 Grants for SDA District-managed projects. In addition, in the Regular Operating Districts, the Authority has completed 26 projects that it partially funded and managed for the districts, including eight new schools. Also, State funding was provided through Section 15 Grants for 5,276 school projects throughout the 21 counties of New Jersey.

The following information provides insight into the activities of the School Construction Program during the last five years and is not intended to be presented in accordance with generally accepted accounting principles.

	$ In thousands				
	2024	**2023**	**2022**	**2021**	**2020**
EFCFA funding received from State	$ -	$ -	$ -	$ 350,000	$ -
Appropriations from State	50,000	75,000	75,000	275,000	-
Debt Defeasance & Prevention Fund grant	60,673	-	-	-	-
Federal CPF grant	29,897	22,534	-	-	-
Investment earnings, net	18,243	17,917	6,353	230	2,696
Administrative and general expenses	12,750	6,830	7,406	6,984	13,143
Capital expenditures	138	133	6	182	577
School facilities project costs	259,067	228,660	283,673	267,533	291,279
Employee count at end of year	126	128	127	152	174

Contacting the Authority's Financial Management

This financial report is designed to provide New Jersey citizens and taxpayers, and the Authority's customers, clients and creditors, with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives from the State. If you have questions about this report or need additional financial information, contact the Office of the Chief Financial Officer, New Jersey Schools Development Authority, P.O. Box 991, Trenton, NJ 08625-0991, or visit our web site at **www.njsda.gov**.

New Jersey Schools Development Authority
(a component unit of the State of New Jersey)

Statement of Net Position and General Fund Balance Sheet

December 31, 2024

	General Fund Total	Adjustments (Note 8)	Statement of Net Position
Assets			
Cash and cash equivalents	$ 320,400,925	$ -	$ 320,400,925
Receivables	1,766,122	-	1,766,122
Prepaid expenses	157,396	-	157,396
Capital assets-net	-	4,033,312	4,033,312
Total assets	322,324,443	4,033,312	326,357,755
Deferred Outflows of Resources			
Deferred amount for pensions	-	3,278,100	3,278,100
Deferred amount for OPEB	-	7,870,428	7,870,428
Total deferred outflows of resources	-	11,148,528	11,148,528
Total Assets and Deferred Outflows of Resources	$ 322,324,443	$ 15,181,840	$ 337,506,283
Current Liabilities			
Accrued school facilities project costs	$ 17,532,567	$ 77,289	$ 17,609,856
Unearned revenue Debt Defeasance appropriations	189,326,899	-	189,326,899
Other accrued liabilities	381,796	2,932,529	3,314,325
Escrow deposits	2,300,154	-	2,300,154
Total current liabilities	209,541,416	3,009,818	212,551,234
Non-Current Liabilities			
Accrued school facilities project costs	-	6,107,888	6,107,888
Net pension liability	-	23,242,844	23,242,844
Total OPEB liability	-	21,355,792	21,355,792
Other accrued liabilities	-	4,833,860	4,833,860
Total non-current liabilities	-	55,540,384	55,540,384
Deferred Inflows of Resources			
Deferred amount for pensions	-	12,496,982	12,496,982
Deferred amount for OPEB	-	17,043,725	17,043,725
Deferred amount for Federal CPF grant	1,765,577	(1,765,577)	-
Total deferred inflows of resources	1,765,577	27,775,130	29,540,707
Fund Balance/Net Position			
Net investment in capital assets	-	141,211	141,211
Nonspendable:			
Prepaid expenses	157,396	(157,396)	-
Restricted for schools construction	93,764,335	(4,323,579)	89,440,756
Unassigned/Unrestricted	17,095,719	(66,803,728)	(49,708,009)
Total fund balance/net position	111,017,450	(71,143,492)	39,873,958
Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position	$ 322,324,443	$ 15,181,840	$ 337,506,283

See accompanying notes.

New Jersey Schools Development Authority
(a component unit of the State of New Jersey)

Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance

For the Year Ended December 31, 2024

	General Fund Total	Adjustments (Note 8)	Statement of Activities
Revenues			
School Construction Program:			
Appropriations from State	$ 50,000,000	$ -	$ 50,000,000
Debt Defeasance and Prevention Fund grant	60,673,101	-	60,673,101
Federal CPF grant	50,665,000	(20,767,954)	29,897,046
General:			
Investment earnings	18,440,038	(196,742)	18,243,296
Other revenue	5,357	-	5,357
Total revenues	179,783,496	(20,964,696)	158,818,800
Expenditures/Expenses			
Administrative and general expenses	12,323,882	425,978	12,749,860
Capital expenditures	138,331	(138,331)	-
School facilities project costs	259,394,587	(327,754)	259,066,833
Total expenditures/expenses	271,856,800	(40,107)	271,816,693
Deficiency of revenues over expenditures/Change in net position	(92,073,304)	(20,924,589)	(112,997,893)
Fund Balance/Net Position			
Beginning of year – as previously stated	203,090,754	(49,565,606)	153,525,148
Change in Accounting Policy	-	(653,297)	(653,297)
Beginning of year – as adjusted	203,090,754	(50,218,903)	152,871,851
End of year, December 31, 2024	$ 111,017,450	$ (71,143,492)	$ 39,873,958

See accompanying notes.

1. Nature of the Authority

The New Jersey Schools Development Authority (the "Authority" or "SDA") was established on August 6, 2007 to replace the New Jersey Schools Construction Corporation ("SCC") pursuant to reform legislation (P.L.2007, c.137). As of the date of the legislation, the SCC was dissolved and all its functions, powers, duties and employees were transferred to the SDA. The Authority is governed by its own Board of Directors and is fiscally dependent upon the State of New Jersey (the "State") for funding. Organizationally, the Authority is situated in, but not of, the New Jersey Department of the Treasury.

The School Construction Program was initiated in response to the New Jersey Supreme Court's decision in Raymond Abbott et al. v. Fred G. Burke, 153 N.J. 480 (1998), which eventually led to the Legislature's adoption of the Educational Facilities Construction and Financing Act, P.L.2000, c.72 ("EFCFA") on July 18, 2000. The EFCFA, as amended in P.L.2008, c.39, provides for an aggregate $12.5 billion principal amount of bond proceeds ("EFCFA funding") to be issued by the New Jersey Economic Development Authority ("EDA") and transferred to the Authority. Of this amount, $8.9 billion is allocated to 31 urban school districts referred to as the "SDA Districts" (formerly Abbott Districts), $3.45 billion is for non-SDA districts ("Regular Operating Districts") and $150 million is reserved for vocational schools. On June 30, 2022, an additional $1.9 billion was appropriated to the Authority from the State of New Jersey Debt Defeasance and Prevention Fund, and $350 million has been approved in recent state budgets. As for these non-debt funding sources, $1.85 billion is allocated to the SDA Districts, and $400 million is for Regular Operating Districts, including vocational schools.

2. Summary of Significant Accounting Policies

(a) Government-Wide and Fund Financial Statements

In its accounting and financial reporting, the Authority follows the pronouncements of the Government Accounting Standards Board ("GASB"). GASB is the accepted standards setting body for establishing government accounting and financial reporting principles. The accounts are maintained on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the activities of the Authority.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include (1) EFCFA bond proceeds received from the State, and budget and non-budget appropriations funding received from the State, which monies are restricted to meeting either the operational or capital requirements of the School Construction Program, and (2) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Non-budget appropriated funds provided to the Authority are made pursuant to grant agreements with the State, and the expenditures associated with such grant amounts are subject to state and federal single audit requirements, as applicable. As discussed below in Note 14, the Authority is the grantee with respect to two distinct grant agreements with the State.

Separate financial statements are provided for the Authority's governmental fund (these are also referred to as the general fund financial statements). Because the Authority operates a single governmental program, its government-wide and governmental fund financial statements have been combined using a columnar format that reconciles individual line items of general fund financial data to government-wide data in a separate column on the face of the financial statement.

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide 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 when a liability is incurred, regardless of the timing of the related cash flows.

The Authority's governmental fund is classified as a general fund and its financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual basis accounting. However, expenditures related to compensated absences and certain other accruals are recorded only when payment is due. With regard to the Authority's general fund, restricted amounts are considered to have been spent only after the expenditure is incurred for which there is available restricted fund balance.

(c) Revenue Recognition

The Authority's revenues consist of appropriations from the State and from State pass through funds for federal programs administered by the Authority on behalf of the State. The timing of the revenue recognition is based on the nature of the underlying agreement in accordance with the nonexchange guidance in Governmental Accounting Standards Board (GASB) Statement No. 33, as amended.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid short-term investments with original maturities of three months or less, and participation in the State of New Jersey Cash Management Fund ("NJCMF"), a fund managed by the Division of Investment under the Department of the Treasury. It consists of U.S. Treasury Notes and Bills; short-term commercial paper; U.S. Agency Bonds; corporate bonds; and certificates of deposit. NJCMF is stated at fair value, which is measured based on the units of ownership at a value per unit of $1.

(e) Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and governmental fund financial statements.

(f) Capital Assets

Capital assets are reported in the governmental activity column in the government-wide financial statements and are recorded at historical cost or estimated historical cost if purchased and constructed. The Authority's current capitalization threshold is as follows:

Leasehold improvements - $50,000
Office furniture and equipment - $5,000
Automobiles - $30,000
Computer software - $100,000
Right-to-use assets - $5,000

Depreciation is computed using the straight-line method over the following estimated useful lives of the assets.

Leasehold improvements – lesser of 10 years or the lease term
Office furniture and equipment – 7 years
Automobiles – 5 years
Computer software – 3 years
Right-to-use assets – lease term

The Authority does not have an economic interest in any school facility project that it finances. Therefore, apart from certain right-to-use assets accounted for under Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, costs related to school facilities projects are reported as school facilities project costs in the Statement of Activities.

(g) Leases

The Authority is a lessee for non-cancelable leases of equipment, buildings and land. The Authority recognizes a lease liability and a corresponding intangible right-to-use lease asset ("Lease Asset") in the financial statements for items meeting the capitalization criteria. The Authority recognizes lease liabilities with an initial, individual value of $5,000 or more.

Lease liabilities are initially recognized at the lease commencement date based on the present value of future lease payments to be made by the Authority over the lease term. The estimated payments are discounted using the Authority's estimated incremental borrowing rate. The lease term includes the non-cancelable period of the lease. The lease liability is subsequently reduced by the principal portion of lease payments made. Lease liabilities are reported on the Statement of Net Position.

Lease assets are recognized at the lease commencement date and represent the Authority's right to use an underlying asset for the lease term. Lease assets are initially measured at the initial value of the lease liability, adjusted for lease payments made at or before the lease commencement date and initial direct costs. The lease asset is subsequently amortized on a straight-line basis over its useful life. Lease assets are reported with capital assets on the Statement of Net Position.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and remeasures its lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

(h) Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has two items that qualify for reporting in this category: the deferred amounts related to pension and OPEB reported in the Government-Wide Statement of Net Position. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the Federal CFP grant. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. In the government-wide financial statements the Authority reports deferred amounts related to pension and OPEB.

(i) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Jersey Public Employee Retirement System ("PERS") and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan asset investments are reported at fair value.

(j) Allocation of Employee Salaries and Benefits Costs

The Authority allocates employee salaries and benefits costs between operating expense (i.e., administrative and general expenses) and school facilities project costs on the Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance. The allocation of employee salaries to school facilities project costs is supported by timekeeping records; employee benefits costs are allocated to projects based on a projected annual fringe benefit rate determined by the Authority. The fringe benefit rate utilized for 2024 is 44.12%.

For the year ended December 31, 2024, employee salary and benefit costs are allocated as follows:

Employee salary and fringe benefits costs:	
Charged to administrative and general expenses	$ 8,290,226
Charged to school facilities project costs	10,110,666
Total employee salary and benefits costs	$ 18,400,892

(k) Net Position/Fund Balance

The difference between assets plus deferred outflows of resources less liabilities plus deferred inflows or resources is Net Position on the government-wide, proprietary, and fiduciary fund statements, and Fund Balance on the governmental fund statements. Net Position is reported in three categories:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Net Position that is restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments, and, in some cases, by legally enforceable enabling legislation or constitution of the State is a restricted net position.

- Unrestricted net position consists of net position which does not meet the definition of the two preceding categories.

The fund balance category, general government operations, is based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent. Fund balances are reported in the following categories:

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as prepaid expenses, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.

- Restricted fund balances are restricted due to legal restriction from creditors, grantors, or laws and regulations of other governments, or by legally enforceable enabling legislation or constitution of the State.

- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by appropriation legislation passed by the State Legislation, which is the highest level of decision-making authority for the State. Those committed amounts cannot be used for any other purpose unless the Legislature passes new legislation concerning those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- Assigned fund balances are constrained by the government's intent to use such funds for specific purposes, but are neither restricted nor committed, except for major reserve/stabilization arrangements. Assigned fund balances include all remaining amounts (except negative amounts) that are reported in the governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed. Amounts in the General Fund that are intended to be used for a specific purpose are also assigned. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the State has assigned those amounts to the purposes of the respective funds.

- Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Any negative fund balances are unassigned. The General Fund is the only fund that reports a positive unassigned fund balance.

Agency level assigned and unassigned fund balance spending is at the discretion of the Authority. It is the Authority's overall policy to use restricted balances first, then unrestricted balances in the following order: committed, assigned, and unassigned.

(l) Taxes

The Authority is exempt from all federal and state income taxes and real estate taxes under Internal Revenue Code Section 115.

(m) Rebate Arbitrage

Rebate arbitrage is defined by Internal Revenue Code ("IRC") Section 148 as earnings on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The amount of rebates due the federal government is determined and payable during each five-year period and upon final payment of the tax-exempt bonds. The Authority, the EDA and the New Jersey Department of the Treasury, Office of Public Finance have determined that any rebate arbitrage liability associated with an issue of School Facilities Construction Bonds shall be recorded on the Authority's books since the Authority retains the income on the investment of bond proceeds.

It is the Authority's policy to record rebate arbitrage liabilities only when it is probable that any excess investment income, as defined above, will not be retained by the Authority. The Authority does not record rebate liabilities in cases where it is projected that the liability will be negated by the 24-month spending exception in accordance with the IRC.

Arbitrage calculations, consisting of rebate and yield restriction, have been performed for all series of School Facilities Construction Bonds up through 2024 Series SSS. As of December 31, 2024, no Authority rebate liabilities exist. However, the Authority does have a positive yield restriction liability of $196,742 on the 2021 Series QQQ bonds. Accordingly, the Authority has recorded an arbitrage rebate liability of $196,742 on the Statement of Net Position as of December 31, 2024, with a corresponding charge to investment earnings on the Statement of Activities for the year then ended. This tax liability will be payable 60 days after the final IRS calculation date of January 14, 2026.

(n) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(o) Compensated Absences

The liability for compensated absences represents the vacation and sick time ("Leave Days") and salary related payments which have been earned for services previously rendered by employees in accordance with the Authority's Employee Handbook, is allowed to be carried over to subsequent year(s) and is deemed more likely than not by management to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employee's rate of pay and the number of unused Leave Days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary-related payments that are directly and incrementally associated with payments for the leave. The liability for compensated absences is reflected in the government-wide financial statements as a long-term liability.

(p) New Accounting Standards Adopted

GASB Statement No. 101, *Compensated Absences*, was issued on June 2022. The objectives of this Statement are to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Authority adopted the provisions of this Statement on January 1, 2024. See Note 12.

GASB Statement No. 100, *Accounting Changes and Error Corrections,* an amendment of GASB Statement No. 62, was issued in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Authority adopted the provisions of this Statement on January 1, 2024, in conjunction with the adoption of GASB Statement No. 101.

(q) Accounting Standards Issued But Not Yet Adopted

GASB Statement No. 102, *Certain Risk Disclosures*, was issued in December 2023. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. Governmental reporting entities face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements*, was issued in April 2023. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets,* was issued in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

3. Deposits and Investments

(a) Cash and Cash Equivalents

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the Authority's name by two commercial banking institutions. As of December 31, 2024, the carrying amount of operating cash is $1,866,892 and the bank balance is $1,982,077. Deposits of up to $250,000 at each commercial banking institution are insured with Federal Deposit Insurance.

NOW accounts are profiled in order to determine exposure, if any, to custodial credit risk (risk that in the event of failure of the counterparty the account owner would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to custodial credit risk if they are: uninsured and uncollateralized (securities not pledged to the depositor); collateralized with securities held by the pledging financial institution; or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. As of December 31, 2024, all of the Authority's deposits were insured or collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The Authority does not have a formal policy for custodial credit risk because all deposits are either fully insured or collateralized in the Authority's name, effectively mitigating such risk. As a result, the establishment of a separate policy has not been deemed necessary under current operating conditions and risk exposure.

(b) Investments

In order to maximize liquidity, the Authority utilizes the New Jersey Cash Management Fund ("NJCMF") as its sole investment. Participation in the NJCMF is voluntary. All investments in the NJCMF are governed by the regulations of the State of New Jersey, Department of the Treasury, Division of Investment, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. The NJCMF invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasury Notes and Bills, short-term commercial paper, U.S. Agency Bonds, corporate bonds and certificates of deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. As of December 31, 2024, the Authority's investments in the NJCMF total $318,534,033. Of this amount, $2,300,154 relates to district local share funding requirements (see Note 5). NJCMF funds are considered cash and cash equivalents.

Custodial Credit Risk: Pursuant to GASB Statement No. 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. As previously stated, the Authority does not have a policy for custodial credit risk.

Credit Risk: The Authority does not have an investment policy regarding the management of credit risk because its funds are primarily held in the NJCMF, a state-managed vehicle that operates under conservative guidelines established by the State of New Jersey. GASB Statement No. 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Interest Rate Risk: The Authority does not have a policy to limit interest rate risk. The average maturity of the Authority's sole investment, the NJCMF, is less than one year.

4. Prepaid Expenses

As of December 31, 2024, the Authority's prepaid expenses are as follows:

Service contracts	$ 88,177
Security deposit	53,848
Other	15,371
Total prepaid expenses	$ 157,396

5. Escrow Deposits

The Authority has received funds from several local school districts as required by Local Share Agreements for the funding of certain ineligible costs relating to projects in the SDA Districts. These deposits, including investment earnings, are reflected as liabilities in the accompanying financial statements. As of December 31, 2024, deposits held in SDA bank accounts, inclusive of interest earned but not yet refunded to the district, are as follows:

Harrison	$ 11,164
Keansburg	655
Millville	71,599
Newark	2,943
Orange	9,044
Passaic City	39,244
Pemberton	25,976
Perth Amboy	1,831,092
Plainfield	6,568
Union City	301,869
Total escrow deposits	$ 2,300,154

6. Capital Assets

Capital asset activity for the year ended December 31, 2024 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Depreciable/Amortizable Capital assets:				
Leasehold improvements	$ 134,149	$ -	$ (134,149)	$ -
Office furniture and Equipment	3,866,124	67,801	(3,688,063)	245,862
Computer software	2,033,521	-	(2,033,521)	-
Automobiles	236,731	70,530	(199,328)	107,933
Right-to-use assets	8,676,830	92,020	(2,282,660)	6,486,190
Capital assets-gross	14,947,355	230,351	(8,337,721)	6,839,985
Less: Accumulated depreciation/amortization	(9,277,545)	(1,866,849)	8,337,721	(2,806,673)
Capital assets-net	$ 5,669,810	$ (1,636,498)	$ -	$ 4,033,312

Depreciation/amortization expense for the year ended December 31, 2024 was charged to activities and programs of government, as follows:

Administrative and general expenses	$ 1,385,344
School facilities project costs	481,505
Total depreciation/amortization expense	$ 1,866,849

7. Leases

The Authority recognized lease assets of $3,776,349 (net of accumulated amortization of $2,709,841) in the Statement of Net Position as of December 31, 2024, with corresponding lease liabilities of $3,892,101. Lease liabilities related to school facilities projects are included in the Statement of Net Position in accrued school facilities project costs (current $76,347 and non-current $216,415), and lease liabilities unrelated to projects are included in other accrued liabilities (current $819,576 and non-current $2,779,763).

Additionally, the Authority recognized lease expense of $1,554,758 in the Statement of Activities for the year ended December 31, 2024, consisting of lease amortization expense of $1,367,122, and lease interest expense of $187,636 . Lease expense related to school facilities projects is included in the Statement of Activities in school facilities project costs in the amount of $494,913 , and lease expense unrelated to projects is included in administrative and general expenses in the amount of $1,059,845. Cash lease payments for the year totaling $1,438,581 are recognized in the General Fund Revenues, Expenditures and Changes in Fund Balance.

Since the Authority is unable to determine the interest rates lessors have factored into in each respective lease, and the Authority's 2007 enabling legislation precludes it from incurring indebtedness, the SDA's policy is to use the U.S. Treasury Daily 10-Year Yield for its estimated incremental borrowing rate (IBR) to determine the initial lease liability and corresponding right of use asset.

The future principal and interest lease payments as of December 31, 2024, are as follows:

Years	Principal	Interest	Total
2025	$ 896,843	$ 152,937	$ 1,049,780
2026	960,039	112,426	1,072,465
2027	1,013,634	69,301	1,082,935
2028	1,021,585	24,052	1,045,637
Totals	$ 3,892,101	$ 358,716	$ 4,250,817

As of December 31, 2024, the Authority does not have any lease obligations extending beyond the year 2028.

8. Reconciliation of Government-Wide and Fund Financial Statements

(a) Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

"Total Fund Balances" for the Authority's General Fund ($111,017,450) differs from the "Net Position" reported on the Statement of Net Position ($39,873,958). This difference results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Fund Balance Sheet. When capital assets that are to be used in the Authority's activities are constructed or acquired, the costs of those assets are reported as expenditures in the Fund Financial Statements. However, the Statement of Net Position includes those capital assets among the assets of the Authority as a whole. In addition, expenses associated with depreciation, accrued school facilities project costs not currently due for payment and non-current other postemployment benefits and compensated absences are not recorded in the Fund Financial Statements until paid.

A summary of these differences as of December 31, 2024 is as follows:

Fund balances	$ 111,017,450
Capital assets, net of accumulated depreciation of $ (2,806,673)	4,033,312
Deferred outflows of resources for pensions and OPEB	11,148,528
Net pension liability	(23,242,844)
Total other postemployment benefits liability	(21,355,792)
Accrued arbitrage rebate	(196,742)
Accrued compensated absences	(1,857,355)
Accrued pension payable	(2,099,665)
Lease liabilities-internal SDA operations	(3,612,627)
Lease liabilities-school facilities projects	(293,704)
Other school facilities project costs	(5,891,473)
Deferred inflows of resources for pensions and OPEB	(29,540,707)
Deferred inflows of resources for Federal CPF grant	1,765,577
Net position	$ 39,873,958

(b) Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between excess of revenues over expenditures and changes in net position as reported in the government-wide Statement of Activities. Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. A summary of these differences for the year ended December 31, 2024 is as follows:

Deficiency of Revenues Over Expenditures	$ (92,073,304)
Federal CPF grant	(20,767,954)
Pension (expense)/credit (GASB 68)	-
Pension (expense)/credit-special funding situation	-
Arbitrage rebate	(196,742)
Other postemployment benefits expense (GASB 75)	190,005
Compensated absences (expense)/credit	3,628
Lease (expense)/credit-internal SDA operations	(119,883)
Lease (expense)/credit-school facilities projects	3,707
Other school facilities project (costs)/credits	324,047
Capital expenditures	138,331
Depreciation expense	(499,728)
Changes in net position	$ (112,997,893)

9. Pollution Remediation Obligations

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the Authority has recorded in the Statement of Net Position a pollution remediation obligation ("PRO") liability (net of environmental cost recoveries not yet realized) in the amount of $2,809,685 as of December 31, 2024. This liability is included in accrued school facilities project costs reported on the Statement of Net Position. The Authority's PRO liability and asset are charged or credited to school facilities project costs in the Statement of Activities. The Authority's PRO liability is measured based on the current cost of future activities. Also, the PRO liability was estimated using "the expected cash flow technique," which measures the liability as the sum of probability weighted amounts in a range of possible estimated outcomes.

The Authority owns properties with environmental issues that meet the criteria for obligating events and disclosure under GASB Statement No. 49. All of the properties meeting the criteria were acquired by the Authority for the purpose of constructing a school facilities project on behalf of an SDA District and, at the present, the Authority believes it has obligated itself to commence clean-up activities. The Authority will continue to evaluate the applicability of this Statement relating to specific project sites as adjustments are made to its portfolio of school facilities projects. The Authority's remediation activities generally include: pre-cleanup activities including preliminary assessment and site investigation, asbestos and lead based paint removal, underground storage tank removal, neutralization, containment, removal and disposal of ground pollutants, site restoration and post-remediation monitoring and oversight.

10. Commitments and Contingencies

(a) Contractual Commitments

As of December 31, 2024, the Authority has approximately $415 million of unaccrued contractual commitments relating to future expenditures associated with school facilities projects.

(b) Contractor and Other Claims

Numerous contractor and other claims, the vast majority of which are not in litigation, have been filed with the Authority by design consultants, general contractors, project management firms and school districts relating to disputes concerning school construction matters (e.g., delays, labor and material price increases). The Authority resolves contractor claims by following the administrative process noted in the relevant contract. As of December 31, 2024, the Authority's potential loss from all claims has been estimated at approximately $3.1 million, which represents an decrease of $1.2 million from the prior year end accrual. Accordingly, as of December 31, 2024, an accrued liability of $3.1 million is reflected in the Statement of Net Position as a component of accrued school facilities project costs and, for the year then ended, $1.2 million is charged to school facilities project costs on the Statement of Activities.

(c) Insurance

The Authority maintains two insurance programs: business insurance for its operations, which includes property, auto, cyber, general liability, and public officials' liability coverage, and an Owner Controlled Insurance Program ("OCIP") for its construction projects. As of December 31, 2024, management is not aware of any insurable claim that is expected to exceed the Authority's insurance policy limits.

The OCIP provides workers' compensation, general liability, and excess liability coverage to all contractors and sub-contractors that perform labor on the site of an enrolled project. When an enrolled project has been completed, completed operations coverage takes effect. This covers any claim arising out of alleged negligent construction, which occurs in the subsequent ten years.

Each OCIP provides standard policy limits for workers' compensation and general liability coverage, backed by excess liability coverage, to protect against catastrophic claims. The Authority has carried excess liability limits of $150 million or greater, for each of its OCIPs, including OCIP V, which rolled out on December 1, 2024.

Each workers' compensation and general liability claim is subject to a $250,000 per claim deductible. The Authority deposits money into an account at the start of each OCIP, from which the insurer reimburses itself for claim payments that it made on the Authority's behalf, within the deductible. The deposit for OCIP V is $3.5 million. Each OCIP program includes a provision that allows the insurer to periodically seek additional money from the Authority, to replenish the account, if it falls below the required minimum balance. A separate provision caps the Authority's aggregate deductible obligation at a maximum amount. Upon the conclusion of the OCIP program and the resolution of all claims, any funds remaining in the account that have not been utilized for claim settlements will be reimbursed to the Authority.

The Authority also purchases Builder's Risk insurance for each OCIP program, which protects facilities under construction from losses due to fire, vandalism, lightning, wind, and other hazards, and since 2009, it has carried Owners Protective Professional Indemnity (OPPI) insurance, with a policy limit of $25 million, which provides coverage in excess of the professional liability insurance carried by the design professionals that the Authority hires for its projects. The current OPPI policy also includes excess Contractors Pollution Liability coverage.

11. Employee Benefits

(a.1) Public Employees' Retirement System of New Jersey

Plan description and benefits provided. All active, full-time employees of the Authority are required as a condition of employment to participate in the Public Employees' Retirement System of New Jersey ("PERS" or "Plan"), a cost-sharing, and multiple-employer defined benefit plan administered by the State. The contribution policy is established by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Currently as of July 1, 2020, employees are required to contribute 7.50% of their annual compensation to the Plan. All Plan participants are categorized within membership Tiers in accordance with their enrollment date in the PERS, as follows: Tier 1 includes those members enrolled in the PERS prior to July 1, 2007; Tier 2 includes those members enrolled in the PERS on or after July 1, 2007 and prior to November 2, 2008; Tier 3 includes those members enrolled in the PERS on or after November 2, 2008 and on or before May 22, 2010; Tier 4 includes those members enrolled in the PERS after May 22, 2010 and prior to June 28, 2011; and Tier 5 includes those members enrolled in the PERS on or after June 28, 2011. Depending on the Tier, other factors including minimum base salary amounts and/or minimum hours worked, among other things, may impact an employee's eligibility in the PERS. As discussed below, members enrolled in the PERS on or after July 1, 2007, and who earn an annual salary in excess of established limits, are eligible to participate in a Defined Contribution Retirement Program ("DCRP") administered by Empower Annuity Insurance Company of America on behalf of the State.

The general formula for annual retirement benefits for Tier 1, Tier 2, and Tier 3 members is the final 3-year average salary divided by 55, times the employee's years of service. The formula for Tier 4 and Tier 5 members is the final 5-year average salary divided by 60, times the employee's years of service. Pension benefits for all members fully vest upon reaching 10 years of credited service. Tier 1 and Tier 2 members are eligible for normal retirement at age 60, while Tier 3 and Tier 4 members are eligible for normal retirement at age 62. Tier 5 members are eligible for normal retirement at age 65. No minimum years of service is required once an employee reaches the applicable retirement age.

Tier 1 members who have 25 years or more of credited service may elect early retirement without penalty at or after age 55, and receive full retirement benefits; however, the retirement allowance is reduced by 3% per year (1/4 of 1% per month) for each year the member is under age 55. For Tier 2 members with 25 years or more of credited service the retirement allowance is reduced by 1% per year (1/12 of 1% per month) for each year the member is under age 60 (until age 55) and 3% per year (1/4 of 1% per month) for each year the member is under age 55. For Tier 3 and Tier 4 members the retirement allowance is reduced by 1% per year (1/12 of 1% per month) for each year the member is under age 62 (until age 55) and 3% per year (1/4 of 1% per month) for each year the member is under age 55. Lastly, for Tier 5 members the retirement allowance is reduced by 3% per year (1/4 of 1% per month) for each year the member is under age 65.

The PERS also provides death and disability benefits. The State of New Jersey, as established by N.J.S.A. 43:15A, has the authority to establish and/or amend any of the benefit provisions and contribution requirements.

(a.2) Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

In accordance with GASB 68, the Authority recognized a net pension liability for the difference between the present value of the projected benefits for past service known as the Total Pension Liability ("TPL") and the restricted resources held in trust for the payment of pension benefits, known as the Fiduciary Net Position ("FNP").

As of December 31, 2024, the Authority reported a liability of $21.0 million in the Statement of Net Position for its proportionate share of the net pension liability for the PERS. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The actuarial valuation was rolled forward to June 30, 2023 using update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the Plan relative to the projected contributions of all participating State agencies, actuarially determined. As of June 30, 2024, the Authority's proportionate share was estimated to be 0.15430%. The change in proportion since the prior measurement date was a decrease of 0.00616%.

For the year ended December 31, 2024, the Authority recognized a pension benefit in the amount of $3,485,594 in the Statement of Activities, of which pension expense in the amount of $2,144,706 (the Authority's 2024 contractually required pension contribution to the PERS) was recorded in the General Fund Revenues, Expenditures and Changes in Fund Balance. The amount of the Authority's pension contribution due on April 1, 2025 is $2,099,643. Pension expense or income is reported in the Authority's financial statements as a component of administrative and general expenses.

As stated above, the Authority's contractually required contribution to the PERS for the year ended December 31, 2024 was $2,144,706, which is 17.1% of annual covered payroll. Based on the recommendation of the State of New Jersey Department of the Treasury, the investment rate of return used to calculate the actuarially determined contribution effective with the July 1, 2019 valuation was 7.30% per annum. The Department of the Treasury recommendation also calls for the rate to be reduced further to 7.00% per annum effective with the July 1, 2021 valuation. The actuarially determined employer contribution amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

As of December 31, 2024, the Authority's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 972,176
Differences between expected and actual experience	420,005	55,820
Changes in assumptions or other inputs	26,047	238,555
Changes in proportion	110,084	7,840,049
Contributions subsequent to the measurement date	1,049,822	-
Total deferred outflows and inflows of resources	$ 1,605,958	$ 9,106,600

Deferred outflows of resources of $1,049,822 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year 1 (2025)	$ (4,791,067)
Year 2 (2026)	(1,258,809)
Year 3 (2027)	(1,896,341)
Year 4 (2028)	(588,918)
Year 5 (2029)	(15,329)
Total	$ (8,550,464)

Actuarial methods and assumptions

The collective 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. The key actuarial assumptions are summarized as follows:

Rate of inflation	
Price	2.75%
Wage	3.25%
Salary increases:	2.75% to 6.55% based on years of service
Investment rate of return	7.00%
Cost of living adjustment	None assumed

Mortality rates were based on the Society of Actuaries' Scale MP-2021 mortality improvement scale.

Discount rate

The discount rate used to measure the total pension liability as of June 30, 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumes 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 benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Expected rate of return on investments

The long-term expected rate of return on Plan investments 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.

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	28.00%	8.63%
Non-U.S. developed market equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging market equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real assets	3.00%	8.20%
Real estate	8.00%	10.95%
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%

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

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00% as well as the proportionate share of the net pension liability using a 1.00% increase or decrease from the current discount rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
PERS	$28,094,323	$20,966,867	$15,228,123

Pension plan fiduciary net position

Detailed information about the Plan's fiduciary net position is available in a separately issued financial report. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for the PERS. Information on the total Plan funding status and progress, required contributions and trend information is available on the State's web site at *https://www.nj.gov/treasury/pensions/financial-reports.shtml* in the Comprehensive Annual Financial Report of the State of New Jersey, Division of Pensions and Benefits.

(b) Defined Contribution Retirement Program and Early Retirement Changes for Employees Enrolled in the PERS on or after July 1, 2007

The Defined Contribution Retirement Program ("DCRP") was established on July 1, 2007 under the provisions of P.L.2007, c.92 and P.L.2007, c.103. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with death and disability benefits. A PERS member who becomes eligible and is enrolled in the DCRP is immediately vested in the DCRP. To be eligible for the DCRP, an employee is required to have enrolled in the PERS on or after July 1, 2007 (Tiers 2 through 5), and they must earn an annual salary in excess of established "maximum compensation" limits. The maximum compensation is based on the annual maximum wage for Social Security and is subject to change at the start of each calendar year. A PERS member who is eligible for the DCRP may voluntarily choose to waive participation in the DCRP for a reduced retirement benefit from the State. If a member waives DCRP participation and later wishes to participate, the member may apply for DCRP enrollment, with membership to be effective January 1 of the following calendar year. PERS members who participate in the DCRP continue to receive service credit and are eligible to retire under the rules of the PERS, with their final salary at retirement limited to the maximum compensation amounts in effect when the salary was earned. The participating member would also be entitled to a supplementary benefit at retirement based on both the employee (above the maximum compensation limit) and employer contributions to the DCRP. For the direct benefit of those participating in the DCRP, the Authority would be required to contribute 3% to the DCRP ("employer matching") based on the member's annual compensation (base salary) in excess of the maximum compensation limit.

For the year ended December 31, 2024, the Authority had one active employee enrolled in the DCRP and made matching contributions totaling $1,692. Employer matching contributions relating to 2023, 2022 and 2021 totaled $1,700, $3,198 and $3,311 respectively.

(c) Deferred Compensation

The Authority has established an Employees Deferred Compensation Plan under section 457 of the Internal Revenue Code. All active, full-time employees are eligible to participate in the plan, which permits participants to defer a portion of their pay in accordance with the contribution limits established in section 457(b) of the Internal Revenue Code. The Authority does not make any contributions to the plan.

(d) Other Postemployment Benefits

Plan description and benefits provided. The Authority provides postemployment healthcare benefits (including Medicare Part B reimbursement) and prescription drug coverage through participation in the New Jersey State Health Benefits Program as sponsored and administered by the State of New Jersey, to eligible retirees having either: (1) 25 years or more of service in the PERS if hired on or prior to June 28, 2011, or; (2) 30 years or more of service in the PERS if hired after June 28, 2011, or (3) to those individuals approved for disability retirement. These postemployment benefits also extend to the retirees' covered dependents. Health benefits and prescription drug benefits provided by the plan are at no cost to eligible retirees who had accumulated at least 20 years of service credit as of June 30, 2010; all other eligible retirees must contribute a portion of the premium costs based on the applicable percentage of premium as determined by the annual retirement allowance. A minimum contribution of 1.5% of the monthly retirement allowance is required. Upon turning 65 years of age, a retiree must opt for Medicare as their primary coverage, with State benefits providing supplemental coverage. In addition, life insurance is provided at no cost to the Authority and the retiree in an amount equal to 3/16 of their average salary during the final 12 months of active employment. The State pays the cost of this benefit. The State has the authority to establish and amend the benefit provisions offered and contribution requirements. The plan is considered a single employer defined benefit plan for financial reporting purposes. The Authority has elected to fund postretirement health benefits on a pay-as-you-go basis. Therefore, no plan assets exist in a trust that meets the specified criteria in paragraph 4 of GASB 75.

Retirees and employees covered by OPEB Plan

As of December 31, 2024, the following employees were covered by the benefit terms:

Retired employees and/or beneficiaries currently receiving benefit payments	30
Active employees	126
Total	156

Total OPEB liability

The Authority's total OPEB liability of $21,355,792 was measured as of January 1, 2024, and was based upon an actuarial valuation as of January 1, 2024. The Authority has fully recognized this liability in the Statement of Net Position as of December 31, 2024 in accordance with GASB 75.

Actuarial methods and assumptions

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Rate of inflation	2.50%
Annual salary increases	3.00%
Discount rate	3.88%
Retirees' share of benefit related premium costs	None for retirees with at least 20 years of service credit as of June 30, 2010. All other retirees to contribute based on the applicable percentage of premium as determined by the annual retirement allowance. A minimum contribution of 1.5% of the retirement allowance is required.

The entry age normal - level percent-of-pay actuarial cost method was used. No investment return was assumed in the current valuation since there are no OPEB plan assets. The discount rate was based on the average of the published yields from the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year indexes.

The mortality tables used for this valuation is based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2021 Full Generational Improvement.

The annual healthcare cost inflation (trend) rate for all retiree health benefits is 7.5% beginning in 2025. The trend assumption will decrease by 0.25% per year from 2026 until an ultimate annual trend rate assumption of 4.5% in 2037.

The decrement assumptions (i.e., retirement, turnover and disability) and age-based costs for the Authority are based on those reflected in the New Jersey Public Employees Retirement System ("PERS") actuarial valuation report dated April 13, 2022.

As required for any actuarial valuation with a measurement date on or after March 31, 2015, Actuarial Standard of Practice No. 6, *Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions,* was used in performing the Authority's actuarial valuation for OPEB.

Changes in total OPEB liability

Service cost	$ 534,317
Interest cost	752,927
Differences between actual and expected experience	(1,990,280)
Changes in assumptions	4,714,184
Benefit payments	(267,303)
Net change in total OPEB liability	3,743,845
Total OPEB liability – beginning of year	17,611,947
Total OPEB liability – end of year	$ 21,355,792

The schedule of changes in the Authority's total OPEB liability and related ratios are presented for multiple years as required supplementary information following the notes to financial statements.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the discount rate assumed for the current valuation:

	1% Decrease (2.88%)	Discount Rate (3.88%)	1% Increase (4.88%)
Total OPEB liability	$25,344,663	$21,355,792	$18,158,392

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than assumed for the current valuation:

	1% Decrease (6.5% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.5% decreasing to 4.5%)	1% Increase (8.5% decreasing to 5.5%)
Total OPEB liability	$17,697,258	$21,355,792	$26,068,881

OPEB expense and deferred outflows of resources and deferred inflows of resources

For the year ended December 31, 2024, the Authority recognized OPEB expense of $89,245, of which $279,250 (the amount of Authority contributions for retiree health insurance in 2024) was recorded in the General Fund Revenues, Expenditures and Changes in Fund Balance. The accumulated amount of deferred outflows of resources and deferred inflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 73,482	$ 1,874,044
Changes in assumptions	7,796,946	15,169,681
Total deferred outflows and inflows of resources	$ 7,870,428	$ 17,043,725

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

Year 1 (2025)	$ (1,209,946)
Year 2 (2026)	(1,209,946)
Year 3 (2027)	(1,209,946)
Year 4 (2028)	(1,209,946)
Year 5 (2029)	(1,209,946)
Year 6 (2030) and thereafter	(3,123,567)
Total	$ (9,173,297)

12. Long-Term Liabilities

During the year, the following changes in long-term liabilities are reflected in the Statement of Net Position:

	Beginning Balance (Adjusted)	Additions	Deductions	Ending Balance
Lease liabilities-school facilities project costs	$ 292,762	$ 1,434	$ (77,781)	$ 216,415
Other school facilities project costs	6,206,617	952,411	(1,267,555)	5,891,473
Net pension liability	23,242,844	-	-	23,242,844
Total other postemployment benefits liability	17,611,947	3,743,845	-	21,355,792
Lease liabilities-internal SDA operations	3,538,697	57,735	(816,669)	2,779,763
Arbitrage rebate	-	196,742	-	196,742
Compensated absences	1,860,983	5,489	(9,117)	1,857,355
Total long-term liabilities	$ 52,753,850	$ 4,957,656	$ (2,171,122)	$ 55,540,384

For further information, see Notes 11 and 13.

13. Change in Accounting Policy

The Authority adopted the provisions of GASB Statement No. 101, *Accounting for Compensated Absences*, for the year ended December 31, 2024. In addition to the value of unused leave time owed to employees upon separation from employment, the Authority now also recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. As a result of the implementation of GASB Statement No. 101 as of January 1, 2024, the Authority recorded a decrease of $653,297 to the Beginning Net Position.

14. Appropriations/Grant Funding

(a) New Jersey Debt Defeasance and Prevention Fund

On June 29, 2021, the Governor signed P.L. 2021, c. 125 (the "Debt Reduction Act") pursuant to which there was created within the General Fund, a restricted reserve fund known as the "New Jersey Debt Defeasance and Prevention Fund" (the "Fund") for the purpose of retiring and defeasing State debt and for funding capital projects on a pay-as-you-go basis rather than issuing additional State debt for such capital projects. In accordance with P.L.2022, c.18. [S2944] and Section 2 of the Appropriating Act, pursuant to which $5.15 billion was credited from the General Fund, a total of $1.9 billion is appropriated ("Grant Amount") to the Authority from the Fund, which allocation may be used to fund all costs associated with school facilities projects included as Grantee Capital Projects, including Grantee's operating expenses for administering the school facilities construction program. The Grant Amount is delineated as follows: $1.55 billion is appropriated for school facilities projects, emergent needs, and capital maintenance in SDA districts, and in lieu of bond proceeds, program administrative and general expenses as defined by SDA's executive leadership team. And, $350 million is appropriated for school facilities projects, emergent needs, and capital maintenance in all other districts.

The New Jersey State Treasurer (Grantor) and the Authority (Grantee) have entered into a Grant Agreement dated January 30, 2023, which sets forth the terms and conditions for the provision of the Grant Amount. The Grant Amount must be expended by June 30, 2032 absent a written approval by the Treasurer of a request for extension. Any undisbursed grant funds remaining at such time must be returned to the Treasurer.

The grant is an expenditure-driven grant and the Authority recognizes the revenues and expenditures in the period when all eligibility requirements have been met. Funds received in advanced of incurring allowable expenditures must be invested in the New Jersey Cash Management Fund. Interest earned on advances of grant funds is considered Program Income. Program Income earned on the funds may be used by the Authority to further eligible program objectives.

This grant is covered by the audit requirements of the New Jersey Department of the Treasury Circular Letter 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

(b) American Rescue Plan Act of 2021 - Coronavirus Capital Projects Fund (CPF)

The SDA is a subrecipient of CPF funds allocated to the State of New Jersey. Pursuant to the selection and approval of the State and the approval of the U.S. Department of the Treasury ("U.S. Treasury"), $56.8 million has been allocated to the Authority to partially fund the new construction of the Union City Grade 7-9 Community School project. The CPF funds for the Union City Grade 7-9 Community School project were awarded by U.S. Treasury on June 14, 2023. When constructed, the Union City Grade 7-9 Community School will be a six-story, 130,000 square-foot community school designed to educate 936 students. A Design-Build construction contract valued at approximately $75 million has been awarded to Dobco, Inc. Project costs in excess of the allocated CPF funds will be funded by State appropriations.

The New Jersey State Treasurer has executed a Memorandum of Understanding, dated as of February 5, 2022, with the New Jersey Department of Community Affairs ("DCA") as grants manager for the CPF funds, to provide those grant management functions and processes for the State that are necessary to administer, manage and monitor grant awards and disburse funds accordingly. Similarly, the DCA and SDA have entered into a Grant Agreement, executed

April 24, 2024 and amended on February 6, 2025, that sets forth the terms and conditions for the disbursement of CPF funds for the Union City Grade 7-9 Community School project.

The grant is an expenditure-driven grant and the Authority recognizes the revenues and expenditures in the period when all eligibility requirements have been met.

This grant is covered by the Single Audit requirements of 2 CFR 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

(c) State Appropriations

Revenue reported as "State Appropriations" represent appropriations to the Authority from the New Jersey Property Tax Relief Fund. The appropriations from Property Tax Relief Fund are annually appropriated to the Authority based on formulas established by the Legislature. The funds are exclusively for the purpose of the Authority to meet the funding of the requirements of P.L.1975, c. 212 (Public School Education Act). The Authority received $50 million in appropriations during the year ended December 31, 2024. The Authority disburses the funds to the various schools based on an allocation determined by the New Jersey Department of Education ("DOE"). The SDA communicates directly with each of these school districts, providing detailed outlines of their respective funding allocations, permissible project work, timelines, and certification requirements, thereby ensuring the school districts commitment and compliance as recipients of the funding. The Authority recognizes the revenue from the appropriation when the cash is available when the relevant appropriation becomes effective, which is when the State's fiscal year begins. Expenses are recognized at the time funds are disbursed to the participating schools.

15. Subsequent Event

In February 2025, the Authority received an additional allocation of Federal CPF funds from the State for the construction of the Union City Grade 7-9 Community School project. The additional grant amount allocated for the construction of the project is $6.8 million, inclusive of approximately $0.6 million originally allocated to fund certain administrative costs related to the grant, but has since been reallocated to fund construction-related costs.

STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

(a component unit of the State of New Jersey)

REQUIRED SUPPLEMENTARY INFORMATION

New Jersey Schools Development Authority
(a component unit of the State of New Jersey)

Schedule of Authority's Proportionate Share of the Net Pension Liability Public Employees' Retirement System

	2024	2023	2022	2021	2020
Authority's proportion of the net pension liability	0.16047%	0.16047%	0.19500%	0.21109%	0.26021%
Authority's proportionate share of the net pension liability	$ 23,242,844	$ 23,242,844	$ 29,428,895	$ 25,006,500	$ 42,434,159
Authority's covered payroll	$ 12,717,576	$ 12,717,576	$ 13,540,271	$ 15,303,041	$ 16,333,372
Authority's proportionate share of the net pension liability as a percentage of covered payroll	182.8%	182.8%	217.3%	163.4%	259.8%
Plan fiduciary net position as a percentage of the total pension liability	48.4%	48.4%	23.2%	51.5%	42.9%

	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.24445%	0.25282%	0.25811%	0.24459%	0.26024%
Authority's proportionate share of the net pension liability	$ 44,045,377	$ 49,778,974	$ 60,083,669	$ 72,439,355	58,417,776
Authority's covered payroll	$ 19,098,021	$ 17,849,263	$ 18,573,489	$ 18,574,888	18,072,739
Authority's proportionate share of the net pension liability as a percentage of covered payroll	230.6%	278.9%	323.5%	390.0%	323.2%
Plan fiduciary net position as a percentage of the total pension liability	42.0%	40.4%	36.8%	31.2%	38.2%

Notes to Schedule:

The amounts presented in the table above were determined as of the June measurement date.

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

New Jersey Schools Development Authority
(a component unit of the State of New Jersey)

Schedule of Authority's Contributions to the Public Employees' Retirement System

Year	Contractually Required Contribution (CRC)	Contributions in Relation to the CRC	Contribution Deficiency (Excess)	Authority's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	$2,099,643	$2,099,643	$ -	$13,024,335	16.1%
2023	$2,144,704	$2,144,704	$ -	$12,548,018	17.1%
2022	$2,459,103	$2,459,103	$ -	$12,923,176	19.0%
2021	$2,472,082	$2,472,082	$ -	$14,521,363	17.0%
2020	$2,846,614	$2,846,614	$ -	$15,803,029	18.0%
2019	$2,377,735	$2,377,735	$ -	$18,055,097	13.2%
2018	$2,514,741	$2,514,741	$ -	$18,394,015	13.7%
2017	$2,391,105	$2,391,105	$ -	$18,157,354	13.2%
2016	$2,172,867	$2,172,867	$ -	$18,666,335	11.6%
2015	$2,237,332	$2,237,332	$ -	$18,078,345	12.4%

Notes to Schedule:

Valuation Date	Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine the actuarially determined employer contributions are as follows:

Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Level Dollar Amortization
Amortization Period	30 years
Asset Valuation Method	A five-year average of market values
Investment Rate of Return	7.00% for 2024 through 2021, 7.30% for 2020 through 2019, 7.50% for 2018 through 2017, 7.65% for 2016, 7.90% for 2015 through 2013
Inflation	2.75% for 2024 through 2019, 2.25% for 2018 through 2017, 3.08% for 2016, 3.01% for 2015 through 2008
Salary Increases	2.75% - 6.55% for 2024 through 2022, 2.00% - 6.00% for 2021 through 2019, 1.65% – 4.15% for 2018 through 2016, 2.15% – 5.40% for 2015 through 2013

Schedule of Authority's Contributions to the Public Employees' Retirement System (Continued)

Mortality	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.

New Jersey Schools Development Authority
(a component unit of the State of New Jersey)

Schedule of Changes in the Total Postemployment Benefits Other Than Pensions (OPEB) Liability and Related Ratios

	2024	2023	2022	2021	2020
Service cost	$ 534,317	$ 969,613	$ 756,811	$ 562,188	$ 409,654
Interest cost	752,927	513,336	602,754	793,450	813,459
Differences between actual and expected experience	(1,990,280)	-	(88,963)	-	-
Changes in assumptions	4,714,184	(7,941,012)	(5,929,408)	794,794	4,844,872
Benefit payments	(267,303)	(247,801)	(211,788)	(269,967)	(221,345)
Net change in total OPEB liability	3,743,845	(6,705,864)	(4,870,594)	1,880,465	5,846,640
Total OPEB liability – beg. of year	17,611,947	24,317,811	29,188,405	27,307,940	21,461,300
Total OPEB lability - end of year	$ 21,355,792	$ 17,611,947	$ 24,317,811	$ 29,188,405	$ 27,307,940
Covered payroll	$ $12,548,018	$ 12,923,176	$ 14,521,363	$ 15,803,029	$ 18,055,097
Total OPEB liability as a percentage of covered payroll	170.19%	136.28%	167.46%	184.70%	151.25%

	2019	2018	2017	2016
Service cost	$ 449,157	$ 1,606,120	$ 1,634,702	$ 1,578,355
Interest cost	762,995	1,004,490	927,740	849,309
Differences between actual and expected experience	-	146,961	-	-
Changes in assumptions	(3,257,030)	(3,947,479)	(1,476,238)	-
Benefit payments	(231,938)	(362,050)	(297,093)	(277,001)
Net change in total OPEB liability	(2,276,816)	(1,551,958)	789,111	2,150,663
Total OPEB liability – beg. of year	23,738,116	25,290,074	24,500,963	22,350,300
Total OPEB lability - end of year	$ 21,461,300	$ 23,738,116	$ 25,290,074	$ 24,500,963
Covered payroll	$ 18,394,015	$ 18,157,354	$ 18,666,335	$ 18,078,345
Total OPEB liability as a percentage of covered payroll	116.68%	130.74%	135.48%	135.53%

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

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

Benefit changes – none.

Schedule of Changes in the Total Postemployment Benefits Other Than Pensions (OPEB) Liability and Related Ratios (Continued)

Changes in assumptions:

Changes in assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2024	3.88%
2023	4.18%
2022	2.04%
2021	2.02%
2020	2.92%
2019	3.81%
2018	3.23%
2017	3.76%
2016	3.57%

Resolution—5a.

Resolution Approving the 2024 SDA Audited Financial Statements

WHEREAS, the New Jersey Schools Development Authority (SDA or the Authority) was established by law pursuant to P.L.2007, C.137 (N.J.S.A. 52:18A-235 et. seq.), c.311 as an entity "in but not of" the New Jersey State Department of the Treasury; and

WHEREAS, pursuant to law, the Authority is authorized to "adopt bylaws for the regulation of its affairs and the conduct of its business", which bylaws were adopted by the Authority on August 2007 and amended May 2014, September 2019 and September 2024; and

WHEREAS, consistent with N.J.S.A 52:18A-237(l), the Authority's bylaws, Article VIII, Section 8.2, provide that "the Authority shall provide for an annual audit of the financial statements of the Authority by a certified public accountant, and cause a copy thereof to be filed with the Secretary of State, the Director of the Division of Budget and Accounting in the Department of Treasury, and the State Auditor"; and

WHEREAS, in accordance with Executive Order No. 122 (2004) as amended by Executive Order No. 37 (2006) and consistent with Article VIII, Section 8.3 of the Authority's bylaws, the Authority shall prepare a comprehensive report regarding its operations and, following approval of same by the Members of the Authority, submit the report to the Governor's Authorities Unit and the State Treasurer and post it on the Authority's website; and

WHEREAS, the comprehensive report shall, among other things, include "authority financial statements"; and

WHEREAS, the independent accounting firm of PKF O'Connor, Davies, LLP (PKF) has substantially and in all material respects, except as described below, completed an audit of the Authority's financial statements for 2024; and

WHEREAS, PKF has expressed its intent to issue an "unmodified" opinion on the financial statements, the highest level of assurance that an audit firm can provide for a financial statements audit; and

WHEREAS, pursuant to Article IX, Section 9.5 of the Authority's bylaws and Article VI of the SDA Audit Committee Charter, the Audit Committee met on July 21, 2025 to review and discuss the integrity and quality of the Authority's 2024 financial statements and PKF's audit of the aforesaid financial statements; and

WHEREAS, following presentation of the 2024 financial statements to the Committee by executive management and PKF and following the Committee's discussions with executive management and PKF, and following its deliberations, the Committee recommends approval of the same by the Authority's Board of Directors; and

WHEREAS, executive management has advised the Members of the Authority that the 2024 SDA Financial Statements, as presented to the Board by executive management and PKF and as recommended by the SDA Audit Committee on this date, will require further review and revisions; and

WHEREAS, executive management has further advised the Members of the Authority that the pension information and related note disclosures, and any unrelated additional material changes to the 2024 SDA financial statements will be reported to the SDA Audit Committee prior to finalization of the financial audit; and

WHEREAS, executive management has further advised the Members of the Authority that should there be no material change to the SDA Financial Statements as presented to the Board on this date, management shall so advise the SDA Audit Committee at such time as the audit is completed, including notification as to the date of the auditor's report.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby approve the Authority's 2024 financial statements as presented by executive management and the accounting firm of PKF O'Connor Davies, LLP and as recommended by the SDA Audit Committee, consistent with the memorandum presented to the Board on this date.

BE IT FURTHER RESOLVED, that the Members of the Authority recognize and acknowledge that the 2024 SDA Financial Statements, as presented to the Board by executive management and the accounting firm of PKF O'Connor, Davies, LLP and as recommended by the SDA Audit Committee on this date, will require further review.

BE IT FURTHER RESOLVED, that prior to finalization of the financial audit by PKF O'Connor, Davies, LLP, management shall advise the Authority's Audit Committee of any material change to the SDA 2024 Financial Statements as presented to the Board on this date.

BE IT FURTHER RESOLVED, that, should there be no material change to the SDA Financial Statements as presented to the Board on this date, management shall so advise the SDA Audit Committee when the audit is completed, including notification of the date of the auditor's report.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Memorandum 2024 Audited Financial Statements, dated August 6, 2025
Dated: August 6, 2025

2024 Annual Report Pursuant to Executive Order No. 37

[PLACEHOLDER]

MONTHLY REPORTS

(For Informational Purposes)

ACTIVE PROJECTS STATUS REPORT

STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

Phil Murphy, Governor
Tahesha Way Esq., Lt. Governor
Manuel Da Silva, CEO

MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director

DATE: August 6, 2025
SUBJECT: Active Project Status Report
(For Informational Purposes Only)

The 1st section of the report includes an Activities Summary of projects identified for advancement in the Authority's Capital Plans.

The 2nd part of the report displays project completion milestones for all other active major capital projects and emergent projects for which a contract for construction has been awarded.

STATE OF NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

Portfolio Projects Activities Summary

as of 7/22/25

2022 Portfolio Projects - sorted by District, Project

District	Project	Grade Alignment [1]	FES Capacity [1]	Max. Capacity [1]	Total Estimated Cost *(millions)* [1]	Delivery Method	Advancement Status	School Opening	Comments
Bridgeton	6-8	6-8	TBD	TBD	TBD	Design-Build	Project phased with advancement of High School Add/Reno Project.	TBD	
Bridgeton	HS Addition/Renovation	9-12	326	384	$49.2	Design-Build	DB Advertisement 5/16/25. Proposals due 8/12/25	TBD	
Bridgeton	PK, 6-8	PK, 6-8	TBD	TBD	TBD	Design-Build	Project phased with advancement of High School Add/Reno Project.	TBD	
Camden	New High School (East Side HS Replacement)	9 - 12	800	941	$115.1	Design-Build	Planning Charter approved Feb-24 Board.	TBD	Capital Plan included 2 replacement ES projects however District has requested advancement of a replacement HS project instead.
Elizabeth	New ES (Battin Replacement)	PK-8	973	1,068	$101.5	Design-Build	Award for D-B approved Jul-25 Board. (Terminal)	3 QTR 28	ESP complete.
Garfield	New ES (No. 5 Replacement)	PK-5	767	852	$87.6	Design-Build	Award for D-B approved Dec. 2024 Board. (Dobco, Inc.)	3 QTR 27	ESP complete.
Garfield	PK-5	PK-5	TBD	TBD	TBD	Design-Build	Project phased with advancement of the New ES (No. 5 Replacement) Project	TBD	
Jersey City	PK	PK	TBD	TBD	TBD	Design-Build	DOE/District/SDA Working Group Meetings ongoing	TBD	
New Brunswick	MS Addition	6 - 8	TBD	TBD	TBD	Design-Build	DOE/District/SDA Working Group Meetings ongoing. Note: Need beyond acquisition of Middle School Annex under review with NJDOE.	TBD	
New Brunswick	Pathways MS & P-Tech Academy (Middle School Annex, 40 Van Dyke Ave.)	6-8, 9-12	765	859	$42.0	Alternative Delivery	Building Acquisition Complete.	n/a	Facility acquired in March-2024.
Newark	Nelson Mandela ES (Existing Building Acq.)	PK-8	338	376	$20.5	Alternative Delivery	Building Acquisition Complete.	Sep-23	
Newark	New University High School (Replacement)	9 - 12	920	1,082	$153.0	Design-Build	Planning Charter approved Feb-24 Board.	TBD	Replacement HS will leverage prior SDA site acquisition and allow existing aged Hawthorne School to occupy existing University HS.
Passaic City	New Passaic High School No. 12 (Replacement)	9-12	2,400	2,823	$328.1	Design-Build	Planning Charter approved Feb-24 Board.	TBD	
Paterson	New STEAM & STARS HS	9-12	1,200	1,532	$160.3	Design-Build	Preliminary Charter approved Jul-23 Board.	TBD	
Perth Amboy	K-5	K - 5	TBD	TBD	TBD	Design-Build	DOE/District/SDA Working Group Meetings ongoing	TBD	
Pleasantville	New Decatur Ave ES	PK-5	601	658	$65.8	Design-Build	Preliminary Charter approved Jan-24 Board.	TBD	ESP award approved Jun-25 Board meeting.
Salem City	PK-8	PK-8	TBD	TBD	TBD	Design-Build	DOE/District/SDA Working Group Meetings ongoing.	TBD	
Trenton	ES at Dunn MS	K-6	753	837	$83.8	Design-Build	DB Advertisement 5/6/25. Proposals due 7/22/25	TBD	
Union City	Grade 7-9 School (former Mother Seton School)	7-9	400	400	$4.0	Alternative Delivery	Funding Agreement memoranda approved Dec-24 Board meeting.	Sep-25	Funding agreement for the acquisition of the former Mother Seton School.
West New York	New Middle School	6 - 8	788	876	$110.1	Design-Build	DB Advertisement 6/10/25. Proposals due 8/26/25.	TBD	ESP Ongoing.

Notes

PLEASE NOTE - Dates in past are actual.

NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable.
For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.

STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

Portfolio Projects Activities Summary

as of 7/22/25

2012 Portfolio Projects (Active) - sorted by District

District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (*millions*)	Delivery Method	Advancement Status	School Occupied	Comments
		1							
Orange	Cleveland St. ES	PK-6	316	348	$51.7	Design-Bid-Build	Award for GC approved Apr. 2023. (Terminal).	Sep-24	Previous GC Terminated for convenience 3/1/22. (B&C)
Perth Amboy	High School	HS	2,800	3,295	$283.8	Design-Build	Award for D-B approved Nov. 2019 Board. (Terminal)	Sep-24	
Union City	Ester Salas MS (New 7 to 9 School)	7-9	827	936	$93.7	Design-Build	Award for D-B approved Jun. 2022 Board. (Dobco, Inc.)	Sep-25	

Notes

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For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.

STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

Portfolio Projects Activities Summary

as of 7/22/25

2012 Portfolio Projects (Completed) - sorted by District

District	Project	Grade Alignment [1]	FES Capacity [1]	Max. Capacity [1]	Total Estimated Cost *(millions)* [1]	Delivery Method	Advancement Status	School Occupied	Comments
Camden	High School	9-12	1,244	1,468	$132.6	Design-Build	School occupied Sep. 2021. (Bock)	Sep-21	
East Orange	Sheila Y. Oliver Academy (GW Carver ES)	PK-5	470	512	$41.2	Design-Build	School occupied Sep. 2020. (Dobco)	Sep-20	
Elizabeth	New ES @ Halloran PS #22 ES Site	2-8	860	956	$55.3	Design-Build	School occupied Sep. 2017. (Torcon)	Sep-17	
Garfield	James Madison ES	K-5	275	305	$29.7	Design-Bid-Build	School occupied Sep. 2018. (Brockwell & Carrington)	Sep-18	
Gloucester City	Elementary/Middle School	4-8	687	763	$65.3	Design-Build	School occupied Sep. 2017. (Terminal)	Sep-17	
Harrison	New ES	PK - 1	392	432	$36.1	Design-Build	School delivered Nov. 2020. (Bock)	Nov-20	
Irvington	Madison Avenue ES	PK-5	463	504	$38.6	Design-Build	School occupied Sep. 2019. (Bock)	Sep-19	
Keansburg	Caruso ES	K-4	758	842	$50.9	Design-Build	School occupied Sep. 2016. (Hall Construction)	Sep-16	
Keansburg	Port Monmouth Road School	PK	318	318	$28.4	Design-Bid-Build	School occupied Sep. 2023 (Niram)	Sep-23	
Millville	Senior HS Addition/Renovation	HS	2,026	2,384	$149.2	Design-Build	School occupied Sep. 2023 (Hall Construction)	May-23	
New Brunswick	Robeson ES	PK-5	823	893	$48.5	Design-Build	School occupied Sep. 2018. (Hall Construction)	Sep-18	
Newark	Elliot Street ES	PK-8	848	932	$46.7	Design-Build	School occupied Jan. 2016. (Hall Construction)	Jan-16	
Newark	South Street ES	PK-8	597	657	$69.9	Design-Build	School occupied Sep. 2018. (Bock)	Sep-18	
Orange	High School	9-12	1,440	1,694	$59.8	Design-Bid-Build	School occupied Sep. 2023. (Terminal)	Sep-23	
Passaic	Dayton Ave. Campus	PK-8	2,760	3,020	$240.9	Design-Build	Sub. Comp. achieved Nov. 2021. (Terminal)	Nov-21	
Passaic	Sonia Sotomayor ES (New ES @ Leonard Place)	K-5	628	698	$55.9	Design-Build	School occupied Sep. 2019. (Dobco, Inc.)	May-19	
Paterson	Joseph A. Taub MS (New MS @ Union Ave.)	6-8	996	1,107	$113.9	Design-Build	School Delivered 1 QTR 2022. (Epic Management)	1 QTR 22	
Pemberton	Denbo-Crichton ES	K-5	846	930	$58.7	Design-Build	School occupied Sep. 2020. (Bock)	Sep-20	
Perth Amboy	Rose M. Lopez ES (Seaman Avenue ES)	K-5	724	804	$56.4	Design-Build	School occupied Sep. 2019. (Epic Management)	Sep-19	
Phillipsburg	High School	9-12	1,846	2,172	$127.5	Design-Bid-Build	School occupied Sep. 2016. (Epic Management)	Sep-16	
Plainfield	New Woodland ES	K-5	756	840	$59.4	Design-Build	School occupied Sep. 2023. (Epic Management)	Sep-23	
Trenton	Central HS	10-12	1,850	2,176	$155.4	Design-Build	School occupied Sep. 2019. (Terminal)	Sep-19	
Vineland	Lincoln Ave. MS (New MS)	6-8	562	624	$49.8	Design-Build	School occupied Sep. 2018. (Bock)	Sep-18	
West New York	Memorial HS	9-12	1,859	2,194	$16.0	Alternative Delivery	Acquisition of Existing St. Joseph's HS complete.	n/a	Renovation work delegated to District via Grant.

Notes

PLEASE NOTE - Dates in past are actual.

NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable.
For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.

STATE OF NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

Portfolio Projects Activities Summary

as of 7/22/25

2011 Portfolio Projects (Completed) - sorted by District

District	Project	Grade Alignment [1]	FES Capacity [1]	Max. Capacity [1]	Total Estimated Cost *(millions)* [1]	Delivery Method	Advancement Status	School Occupied	Comments
Bridgeton	Buckshutem ES	K-8	581	645	$23.3	Design-Build	School occupied Sep. 2016. (Bock)	Sep-16	
Bridgeton	Quarter Mile Lane ES	PK-8	731	795	$39.0	Design-Build	School occupied Sep. 2017. (Bock)	Sep-17	
Elizabeth	Frank J. Cicarell Academy (Academic HS)	9-12	1,091	1,284	$64.1	Design-Bid-Build	School occupied Sep. 2016. (Patock)	Sep-16	
Jersey City	Patricia M. Noonan ES (ES 3)	PK-5	778	848	$54.0	Design-Build	School occupied Sep. 2017. (Dobco, Inc.)	Sep-17	
Jersey City	Dr. Maya Angelou PS #20	K-5	628	698	$49.3	Design-Bid-Build	School occupied Sep. 2016. (Dobco, Inc.)	Sep-16	
Long Branch	Catrambone ES	PK-5	794	867	$40.0	Design-Bid-Build	School occupied Sep. 2014. (Terminal Construction)	Sep-14	
New Brunswick	Redshaw ES	PK-5	906	990	$51.2	Design-Build	School occupied Jan. 2015. (Hall Construction)	Jan-15	
Newark	Oliver St. ES	PK-8	848	932	$73.6	Design-Build	School occupied May 2016. (Epic Management)	May-16	
Paterson	Dr. Hani Awadallah ES (Marshall St. ES)	K-8	650	722	$55.2	Design-Bid-Build	School occupied Sep. 2016. (Dobco, Inc.)	Sep-16	
Paterson	PS 16	PK-8	641	705	$62.4	Design-Build	School occupied Sep. 2016. (Hall Construction)	Sep-16	
West New York	Harry L. Bain PS 6	PK-6	736	814	$16.8	Design-Bid-Build	School occupied Sep. 2017. (Paul Otto)	Aug-17	

Notes

PLEASE NOTE - Dates in past are actual.

NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable.
For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.

STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

Active Project Status Report
Status as of 7/1/2025

Major Capital Projects - With Contract for Building Construction Awarded

#	District	Project Name	Project Scope	Project Status	Substantial Completion	Status Substantial Completion	School Opening	Status of School Opening	Total Estimated Project Cost
1	Garfield	New ES (Washington No. 5 Replacement)	New Construction	Design-Build Design	3Q 2027	On-target	Sep-27	On-target	$ 87,624,000
2	Union City	New Esther Salas MS (Gr. 7 to 9 School)	New Construction	Design-Build Construction	3Q 2025	On-target	Sep-25	On-target	$ 93,696,300

STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

Active Project Status Report
Status as of 7/1/2025

Emergent Projects - With Contract for Construction Awarded

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	East Orange	Fresh Start Academy	Building Envelope Repairs	Construction	2Q 2025	Achieved	2Q 2025	Achieved	$ 3,909,963
2	Newark	Technology High School	Structural Vault Repairs and Façade Repairs	Construction	2Q 2025	Achieved	3Q 2025	On-Target	$ 2,867,680

PROJECT STATUS REPORT

MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director – Planning and Program Operations

DATE: August 6, 2025

SUBJECT: Executive Summary – Monthly Project Status Reports

MONTHLY PROJECT STATUS REPORT

Projects that have Expended 75% or More of Board Approved Contingency:

No activity during the reporting period

Projects Greater than 90 Days Behind Schedule:

No activity during the reporting period

Revisions to Project Charters:

No activity during the reporting period

STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

Projects that have Expended 75% or More of Board Approved Contingency

Reporting Period: January 2008 to May 2025

District	Project	Board Approved Project Charter Contingency	Contingency Expended/Committed	Contingency Remaining[1]	% of Contingency Expended/Committed	Project Completion %	Cause(s)	Current Status

In Construction

No Activity To Report for Projects Active in Construction

Substantially Complete & Building Occupied

Please refer to the Project Close-Out Activity Report for status of close-out activities

No Activity To Report for Projects in Close-Out

1 Does not include expended contingency or contingency funds allocated for change orders, amendments

STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

Projects Greater than 90 Days Behind Schedule or with Occupancy Date in Jeopardy

Reporting Period: May 2025

#	Event Date	District	Project	Board Approved Project Charter SubComp Date	Current Contract SubComp Date	Forecasted Contract SubComp Date	# of Days Behind Schedule	Cause(s)	Current Status

No Activity During the Reporting Period

STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

Revisions to Project Charters

Reporting Period: May 2025

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision

No Activity During the Reporting Period

CONTRACTS EXECUTED REPORT/AMENDMENTS & CHANGE ORDERS REPORT

MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Planning & Program Operations

DATE: August 6, 2025

SUBJECT: Contracts Executed Report and Amendments & Change Orders Report
(For Informational Purposes Only)

REPORTING PERIOD: June 2025

Contracts Executed Report

This report contains the activity of Contracts executed during the reporting period.

Noteworthy Items during the reporting period:

- No noteworthy activity during the reporting period.

Amendments & Change Orders Report

This report contains the activity of Amendments and Change Orders executed during the reporting period.

Noteworthy Items during the reporting period:

- 19 Professional Services Amendments were executed during the reporting period totaling a credit of $817k, none of the executed amendments required Board approval.
- 3 Construction Services Change Orders were executed during the reporting period totaling a credit of $313k, none of the executed change orders required Board approval.

SDA State of New Jersey Schools Development Authority

Amendments & Change Orders Report

Reporting Period: 6/1/2025 through: 6/30/2025

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Current CO Amount	Board Approval Required	Board Appoval Date	Revised Contract Amount	Cumulative CO %
Professional Services													
Design Consultant													
City Of Orange Township	Orange H.S.	ES-0042-A01	5/5/2015	29	Kliment Halsband Architects LLP	6/24/2025	$3,520,022	$930,491	($50,000)			$4,400,513	25.01%
City Of Orange Township	Orange H.S.	ES-0042-A01	5/5/2015	30	Kliment Halsband Architects LLP	6/24/2025	$3,520,022	$880,491	($72,184)			$4,328,329	22.96%
Elizabeth	New ES (Battin Replacement)	EL-0044-A01	9/29/2023	1	STV Architects, Inc.	6/26/2025	$1,273,935	$0	$3,094			$1,277,029	0.24%
Keansburg Borough	Port Monmouth Road School	ET-0098-A01	3/9/2016	14	Lan Associates, Engineering, Planning, A	6/6/2025	$2,047,296	$296,488	($36)			$2,343,748	14.48%
Keansburg Borough	Port Monmouth Road School	ET-0098-A01	3/9/2016	15	Lan Associates, Engineering, Planning, A	6/6/2025	$2,047,296	$296,452	($18,973)			$2,324,775	13.55%
Keansburg Borough	Port Monmouth Road School	ET-0098-A01	3/9/2016	16	Lan Associates, Engineering, Planning, A	6/6/2025	$2,047,296	$277,479	($157,300)			$2,167,475	5.87%
Keansburg Borough	Port Monmouth Road School	ET-0098-A01	3/9/2016	17	Lan Associates, Engineering, Planning, A	6/6/2025	$2,047,296	$120,180	($143,806)			$2,023,670	-1.15%
Keansburg Borough	Port Monmouth Road School	ET-0098-A01	3/9/2016	18	Lan Associates, Engineering, Planning, A	6/6/2025	$2,047,296	($23,626)	($25,000)			$1,998,670	-2.38%
Keansburg Borough	Port Monmouth Road School	ET-0098-A01	3/9/2016	19	Lan Associates, Engineering, Planning, A	6/6/2025	$2,047,296	($48,626)	($5,000)			$1,993,670	-2.62%
Keansburg Borough	Port Monmouth Road School	ET-0098-A01	3/9/2016	20	Lan Associates, Engineering, Planning, A	6/6/2025	$2,047,296	($53,626)	($6,551)			$1,987,119	-2.94%
Keansburg Borough	Port Monmouth Road School	ET-0098-A01	3/9/2016	21	Lan Associates, Engineering, Planning, A	6/6/2025	$2,047,296	($60,177)	($26,640)			$1,960,479	-4.24%
Keansburg Borough	Port Monmouth Road School	ET-0098-A01	3/9/2016	22	Lan Associates, Engineering, Planning, A	6/6/2025	$2,047,296	($86,817)	($5,437)			$1,955,042	-4.51%
Keansburg Borough	Port Monmouth Road School	ET-0098-A01	3/9/2016	23	Lan Associates, Engineering, Planning, A	6/30/2025	$2,047,296	($92,255)	($40,409)			$1,914,632	-6.48%
Paterson	Number 5 E.S.	EP-0113-A01	10/25/2018	5	USA Architects, Planners + Interior Designers, Ltd	6/6/2025	$614,850	$55,076	($22,382)			$647,544	5.32%
Construction Management Services													
City Of Orange Township	Orange H.S.	ES-0042-M01	1/9/2019	11	Cambridge Construction Management, Inc.	6/13/2025	$1,504,858	$248,317	($9,730)			$1,743,445	15.85%
East Orange	Sheila Y. Oliver Academy	ES-0021-M01	3/29/2018	3	STV Construction, Inc.	6/30/2025	$1,369,426	($168,540)	($18,952)			$1,181,934	-13.69%
Paterson	Number 5 E.S.	EP-0113-M01	6/14/2021	1	GREYHAWK North America LLC	6/6/2025	$625,600	$0	($188,479)			$437,121	-30.12%
Paterson	Number 5 E.S.	EP-0113-M01	6/14/2021	2	GREYHAWK North America LLC	6/6/2025	$625,600	($188,479)	($20,000)			$417,121	-33.32%
Paterson	Number 5 E.S.	EP-0113-M01	6/14/2021	3	GREYHAWK North America LLC	6/13/2025	$625,600	($208,479)	($9,380)			$407,741	-34.82%
Professional Services									**($817,165)**				
Construction Services													
Contractor													
Millville	Millville High School	ST-0046-B01	5/24/2017	68	Hall Construction Co., Inc.	06/26/2025	$114,453,000	$13,706,839	($325,441)			$127,834,398	11.69%

STATE OF NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

Amendments & Change Orders Report

Reporting Period: 6/1/2025 through: 6/30/2025

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Current CO Amount	Board Approval Required	Board Appoval Date	Revised Contract Amount	Cumulative CO %
Union City (Hudson Co.)	New Esther Salas MS (Gr. 7 to 9 School)	HU-0029-B01	7/26/2022	8	Dobco, Inc.	06/19/2025	$74,000,000	$182,025	$52,052			$74,234,077	0.31%
Newark	Hawkins Street E.S. Wilson Avenue E.S.	EP-0106-C01	10/25/2018	1	Ernest Bock & Sons, Inc.	06/23/2025	$624,274	$0	($39,990)			$584,284	-6.40%
Contractor													
Construction Services									**($313,379)**				

	Total Change Order Summary	Total Changes
Grand Totals	**($1,130,544)**	**22**

Column Description Legend

CO Execution Date	**Date the Change Order was entered into the SIMS system**
Revised Contract Amount	**Current value of the contract (excluding additional assignments) including current change order**

DIVERSITY AND WORKFORCE PARTICIPATION REPORT

STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: J Manuel Castillo, Director – EEO, Affirmative Action and Contracting Accountability

DATE: August 6, 2025

RE: Diversity and Workforce Participation Monthly Update for May 2025

The EEO, Affirmative Action & Contracting Accountability Team consistently participates in mandatory pre-bid and pre-construction meetings to inform and provide guidance to vendors regarding SDA's Small Business Enterprise and Workforce goals, policies and procedures. The guidance provided in such meetings is on, among other things, the following:

- Expectation to delegate the state-mandated 25% of the value of the contract to NJ Division of Revenue and Enterprise Services certified Small Business Enterprises ("SBEs") and make efforts to award 3% of contract value to disabled veteran-owned businesses.
- Local county trade workforce participation goals for minorities and females, in accordance with N.J.A.C. 17:27-7.2.
- Post-bid advertisement Subcontractor Request For Work Review and Approval Process, and Contractor/Subcontractor Payroll Certification submission requirement.
- Our Division's process for monitoring and tracking vendor progress to meet the mentioned goals and requirements, throughout the life cycle of each project.

During these meetings, our Team strongly encourages vendors to identify and hire minority-owned, female-owned and disabled veteran-owned firms, as well as locally based enterprises, for diverse business participation on all school building projects. As each project progresses, our Team offers vendors outreach strategies to support their efforts in reaching the above-mentioned goals.

SMALL BUSINESS ENTERPRISE ATTAINMENT

SDA contracts regularly exceed the state-mandated 25% SBE participation goal. The total SDA-awarded fully-contracted dollars in May 2025 was $4,768,120. Thus far, the overall dollar amount associated with NTP-issued SDA contracts in 2025 is $7,925,620. Of that total, $1,729,800 was awarded to SBEs, including any minority, female and disabled veteran-owned SBEs. This represents an SBE current participation of 21.83% in all NTP-issued SDA contracts awarded in calendar year 2025. SBE participation routinely increases as prime contractors/consultants with 2025-issued contracts continue to hire subcontractors/subconsultants with SBE designations throughout the lifecycle of their construction projects.

Diversity Breakdown for 2025 thus far

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
SBEs	$ 1,729,800	21.83%
Minority Business Enterprises*	$ -0-	0.00%
Women Business Enterprises*	$ -0-	0.00%
Minority/Women-Owned Business Enterprises*	$ -0-	0.00%
Disabled Veteran-Owned Business Enterprises*	$ -0-	0.00%
TOTAL DIVERSITY CONTRACTS	**$ 1,729,800**	**21.83%**

*non-SBE

WORKFORCE PARTICIPATION

The data submitted by Prime contractors for the month of May 2025 revealed that there was a contractor trade workforce for that month of 177 on SDA projects. That workforce amassed a total of 15,949 contractor workforce hours in May 2025. This is explained in more detail below:

Contractor Workforce Breakdown for May 2025 (All Trades/Districts/Counties)			
Ethnicity	**Total Workforce**	**Total Workforce Hours**	**Workforce Hours Percentage**
Black	20	1,710	10.72%
Hispanic	33	3,052	19.14%
Indigenous American	3	216	1.35%
Asian	3	80	0.50%
Total Minority Participation	**59**	**5,058**	**31.71%**
Total Non-Minority Participation	118	10,891	68.29%
Total Contractor Workforce	177	15,949	100.00%

As stated below, the collective contractor workforce hours on SDA projects for the period of January 1, 2025 through May 31, 2025 amounted to 76,063. That amount includes a total of 1,320 workforce hours performed by female trade workforce in 2025 thus far.

The following table cites overall 2025 contractor trade workforce hours and highlights the *Local County Contractor Workforce* participation in 2025 thus far:

Contractor Trade Workforce Participation	Workforce Hours	Percentage
*Total Contractor Workforce Hours	76,063	100.00%
***Total Local County Workforce Hours**	**0**	**0.00%**
Total Local County Non-Minority Workforce Hours	**0**	**0.00%**
Total Local County Female Workforce Hours	**0**	**0.00%**
Total Local County Minority Workforce Hours	**0**	**0.00%**
****Local County Workforce Hours by Race/Ethnicity:**		
Black	0	0.00%
Hispanic	0	0.00%
Indigenous American	0	0.00%
Asian	0	0.00%

*Total contractor workforce and total local county workforce represent all laborers, including females.
**Race/Ethnicity breakdown of Total Local County Minority Workforce Hours.

<u>**NOTE:**</u> Hours worked by local county female laborers who are minority are included in the Total Local County Female Workforce Hours shown above. Therefore, for the purposes of this memorandum, hours worked by local county female *minority* workforce **are not** included in the total local county minority workforce hours or local minority workforce hours breakdown.

The following table represents contractor minority and female trade workforce for all SDA active Capital Projects and all active and completed Emergent and Demolition Projects for the period of January 1, 2025 through May 31, 2025.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Female Workforce Hours and Percentage		Local County Workforce Hours & Percentage	
Millville HS	16	0	0%	0	0%	0	0%
Cleveland St ES	108	0	0%	0	0%	0	0%
Union City MS	71,497	22,059	30.85%	1,320	1.85%	0	0%
Emergent Projects	2,508	526	21.02%	0	0%	0	0%
Demo Projects	1,934	409	21.15%	0	0%	0	0%

Reviewed and finalized by: J Manuel Castillo
Prepared by: Charlotte Brooks

REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT

MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Planning and Program Operations

DATE: August 6, 2025

SUBJECT: Regular Operating District Grant Activity Report
(For Informational Purposes Only)

This report summarizes the Regular Operating District Grant activity from inception to date and for the month of June 2025. Also included is a detailed list of grants executed and grants offered during the reporting period if applicable.

Monthly Update:

- No grants were offered during the reporting period.
- No grants were executed during the reporting period.
- 9 grants impacting 7 Districts were closed out during the reporting period representing total project costs of $10.7 million and state share of $4.8 million.
- Since inception, over $2.97 billion has been disbursed to over 520 regular operating districts through the grant program.
- Since inception nearly $3.8 billion in funding has been approved by the Department of Education and offered to regular operating districts through the grant program.

STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

Monthly Regular Operating District Grant Report - Summary
May 2025

ROD Grant Summary Since Program Inception				
	Offered[1]	Executed	Closed-Out	Active
Districts Impacted	78	527	522	203
Number of Grant Projects	205	5,827	5,295	532
Total Project Cost Estimate	$ 370,078,797	$ 9,576,723,731	$ 8,867,665,955	$ 709,057,776
Grant Amount	$ 151,954,149	$ 3,279,876,710	$ 2,962,148,555	$ 317,728,156
Amount Disbursed	NA	$ 2,986,849,085	$ 2,962,148,555	$ 24,700,530

Total Funding Offered to School Districts via Grant Program	$ 3,798,198,700
Total ROD Grant Funding remaining for new Grant Projects	$ 37,823,640

1. Includes grants that have been offered to District's but have not yet been executed.

Monthly Activity ROD Grant Summary		
	Executed	Closed-Out
Districts Impacted	-	7
Number of Grant Projects	-	9
Total Project Cost Estimate	$ -	$ 10,705,582
Grant Amount	$ -	$ 4,826,562
Amount Disbursed	NA	$ 4,826,562

* Report is inclusive of all Regular Operating Districts grants (including vocational school districts).

** Total Project Cost Estimate and Grant Amount may be adjusted as the projects advance. Grant Amount is capped at the value approved in the DOE Final Eligible Cost Approval.

COMMUNICATIONS MONTHLY REPORT ***(no report)***

MONTHLY FINANCIAL REPORT

MEMORANDUM

TO: The Members of the Authority

FROM: Sherman E. Cole, MBA, CPA
Controller

DATE: August 6, 2025

RE: Monthly Financial Report – June 2025

Fund Reporting Operating Expenses (Year-to-Date Actual vs. Budget)

As of June 2025, year to date Authority operating expenses totaled $6.6 million, which is $2.3 million below the budgeted amount for the same period. This favorable variance is primarily due to lower expenditures in the following categories: personnel costs ($1.5M), partially offset by a reduced payroll expense allocation to project expenditures, ($216K); professional and other contracted services ($360K); information systems ($272K); facilities and general office expenses ($180K); and SDA-owned automobiles ($134K).

The full time employee (FTE) headcount stood at 124 as of June 30, 2025, reflecting a decrease of 9 FTEs compared to the year-to-date staffing level.

School Facilities Project Expenditures (Year-to-Date Actual vs. Forecast)

For the year to date period ending June 2025, school facilities project expenditures totaled $101.3 million, which is $29.3 million below the projected capital spending forecast. This variance is mainly due to lower spending in the following areas: grant agreements ($11.6M), property acquisitions, ($11.0M), project insurance ($2.7M), construction work ($1.9M), and school furniture, fixtures and equipment ($1.6M). These reductions were partially offset by a modest increase in design services spending ($872K).

School Facilities Project Expenditures (Year-to-Date Actual vs. Prior Year Actual)

Compared to the same period in the prior year, year-to-date project expenditures, of $101.3 million are $71.6 million lower. This variance is largely driven by reduced expenditures in property acquisitions ($39.0M), grant agreements ($20.6M), construction work ($15.5M), and school furniture, fixtures and equipment ($9.3M). These decreases were partially offset by an $9.4 million increase in project insurance costs and design services ($1.2M).

Other

Since the inception of the program, 82.7% of the funds authorized for the SDA Districts have been disbursed. Of all SDA disbursements to date, 96% have been directed toward school facilities projects, with the remaining 4% allocated to operating expenses.

The current estimated value of active school facilities projects-including capital, emergent, and ROD grant initiatives-is approximately $1.2B.

Attachment

New Jersey Schools Development Authority
Monthly Financial Report
June 2025
(Unaudited)

New Jersey Schools Development Authority
Overview of Financial Position
June 30, 2025

To: The Audit Committee

From: Sherman E. Cole, Controller

The information contained in this monthly financial report is for the period as of, and for the year-to-date ending, June 30, 2025.

► Overall **Cash and Cash Equivalents** have increased by $261.8 million to $582.2 million, as follows:

■ Appropriation from State	$ 356,161,150
■ Investment earnings	12,422,940
■ Miscellaneous revenue	1,407
■ Project costs	(101,297,979)
■ SDA operating expenses	(7,364,267)
■ SDA capital expenditures	(33,128)
■ Deposits (primarily district local shares)	1,954,377
Net Change in Cash	$ 261,844,500

► **Prepaid Expenses** total $421,882 as follows:

- Prepaid insurance of $339,291.
- Prepaid security deposit of $53,848 for the Authority's leased swing space.
- Prepaid MIS maintenance service contracts of $27,568.
- Other prepaids of $1,175.

► **Capital Assets** total $3,515,219 (net of accumulated depreciation of ($3,310,111), consisting of leasehold improvements (SDA office), and capitalized software, equipment, furniture and fixtures in support of SDA operations. Depreciation on capital assets is generally calculated using the straight-line method over the life of each asset. For the year to date, **Capital Expenditures** are $0 and **Depreciation Expense** is $34,275.

► **Accrued Liabilities** total $568.6 million, as follows:

- Accrued project costs of $5.4 million consisting of unpaid invoices ($.3 million) and retainage ($5.1 million). Project-related lease liabilities are $0.1 million.
- Net pension liability of $23.2 million.
- Unearned grant revenues of $507.6 million.
- Other post-employment benefits obligation of $21.3 million.
- Pollution remediation obligations (PRO) under GASB 49 net to $2.8 million (PRO liability $2.9 million, offset by expected cost recoveries of $0.1 million).
- Estimated liability for loss contingencies (contractor claims) totaling $3.1 million.
- Payroll related liabilities of $1.6 million.
- Other accrued liabilities of $3.5 million, including non-project lease liabilities of $3.2 million.

► **Deposits** total $4.3 million, as follows:

- $4.3 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is $(7.2) million.

New Jersey Schools Development Authority
School Facilities Project Expenditures & Funding Allocation
June 30, 2025

► School Facilities Construction Bond/NoteProceeds/Appropriations & Project Expenditures

- During the current year to date, the SDA has received $0.0 million in bond/note proceeds & $356.2 million in appropriations and Federal CPF Grant funds. The total amount received since program inception is $13.0 billion.
- Project expenditures for the month and year-to-date periods total $13.8 million and $101.3 million, respectively, as follows:

Category	Current Month	Year-To-Date	Since Inception
Construction	$ 7,169,545	$ 28,125,517	$ 5,924,546,752
Design Services	499,391	2,251,520	419,746,071
PMF/CM Services	180,593	1,145,417	486,596,320
SDA Project Management	1,062,073	5,376,108	156,433,681
Property Acquisition, Relocation & Enviro	238,961	1,094,985	645,410,749
School Furniture, Fixtures & Equipment	231,565	2,396,112	262,243,714
Project Insurance	593,508	9,363,574	125,522,787
NJ State Inter-Agency Transfers	49,434	334,959	54,665,770
SDA District Grant & Funding Agreements	-	34,609,233	1,064,929,220
Regular Operating District Grant Agreements	3,657,886	16,797,918	3,081,670,857
Real-Time Project Audits	53,715	202,420	1,721,642
Property Management, Maintenance & Utils	17,601	61,624	19,685,008
Outside Legal & Claims Resolution Services	27,614	74,679	12,483,285
Temporary Staffing	428	10,593	10,791,325
Other Project Costs	834	96,105	63,296,066
Project Credits	-	-	(54,902,944)
Total Project Expenditures	13,783,148	101,940,764	12,274,840,303
Less: Local Share Contributions	-	(642,785)	(192,829,285)
Project Expenditures (State Share)	$ 13,783,148	$ 101,297,979	$ 12,082,011,018
2025 Capital Spending Forecast	$ 20,839,144	$ 130,635,551	

	Allocations Since Program Inception		
► All Funding Sources & Expenditures	All Sources [1]	Total Funding [2]	Paid to Date [3]
■ SDA Districts	$ 10,906,826,150	$ 11,077,742,326	$ 9,159,595,719
■ RODs Incl Vo-Tech Schools	4,025,000,000	4,088,641,507	3,476,499,867
Total - State Share	$ 14,931,826,150	$ 15,166,383,833	$ 12,636,095,586

► Percentage of Total Funding Paid to Date

■ SDA Districts	82.7%
■ RODs Incl Vo-Tech Schools	85.0%
Total - State Share	83.3%

1 Of the $14.9 billion authorized for the school construction program (including bond funds, appropriations and Federal CPF Grant funds), $12,979,528,798 has been received to date.

2 Includes bonding cap amounts, appropriations and other income and miscellaneous revenue earned to date (i.e., interest income on invested funds).

3 These amounts include the allocation of SDA operating expenses and capital expenditures totaling $554,084,568.

New Jersey Schools Development Authority
Fund Reporting Operating Expenses vs Budget
June 30, 2025

Category	Actual Year-To-Date	Budget Year-To-Date	Over/ (Under)
Personnel Expenses:			
Employee Salaries	$ 6,035,112	$ 7,075,251	$ (1,040,139)
Employee Benefits	3,875,795	4,306,246	(430,451)
Direct Hire Temporary Employee Costs	13,304	25,002	(11,698)
Total Employee Salaries & Benefits Costs	9,924,211	11,406,499	(1,482,288)
Less: Employee Salaries & Benefits Costs Charged to Projects	5,376,108	5,592,022	(215,914)
Salaries & Benefits Charged to Operating Expense	4,548,103	5,814,477	(1,266,374)
Temporary Staffing Services	-	25,002	(25,002)
Travel & Expense Reimbursements	13,067	16,302	(3,235)
Training & Professional Development	26,660	47,700	(21,040)
Total Personnel Expenses	4,587,830	5,903,481	(1,315,651)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	913,095	1,093,398	(180,303)
Information Systems	685,525	957,584	(272,059)
Professional & Other Contracted Services	69,261	428,994	(359,733)
Property & Casualty Insurance	300,077	305,400	(5,323)
SDA-Owned Automobiles	30,762	165,000	(134,238)
Communications & Outreach	851	1,998	(1,147)
Reserve for Unforseen Events & New Initiatives	-	12,498	(12,498)
Total Authority Operating Expenses	**$ 6,587,401**	**$ 8,868,353**	**$ (2,280,952)**
2025 Annual Operating Budget		**$ 15,513,000**	

New Jersey Schools Development Authority
Fund Reporting Operating Expenses vs Prior Year
June 30, 2025

Category	Actual Year-To-Date	2024 Year-To-Date	Over/ (Under)
Personnel Expenses:			
Employee Salaries	$ 6,035,112	$ 6,291,864	$ (256,752)
Employee Benefits	3,875,795	3,832,719	43,076
Direct Hire Temporary Employee Costs	13,304	11,920	1,384
Total Employee Salaries & Benefits Costs	9,924,211	10,136,503	(212,292)
Less: Employee Salaries & Benefits Costs Charged to Projects	5,376,108	5,152,770	223,338
Salaries & Benefits Charged to Operating Expense	4,548,103	4,983,733	(435,630)
Temporary Staffing Services	-	-	-
Travel & Expense Reimbursements	13,067	8,897	4,170
Training & Professional Development	26,660	10,152	16,508
Total Personnel Expenses	4,587,830	5,002,782	(414,952)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	913,095	870,979	42,116
Information Systems	685,525	684,610	915
Professional & Other Contracted Services	69,261	127,628	(58,367)
Property & Casualty Insurance	300,077	289,641	10,436
SDA-Owned Automobiles	30,762	29,070	1,692
Communications & Outreach	851	749	102
Reserve for Unforseen Events & New Initiatives	-	-	-
Total Authority Operating Expenses	**$ 6,587,401**	**$ 7,005,459**	**$ (418,058)**

New Jersey Schools Development Authority
Employee Headcount
June 30, 2025

	Current Month End	Budget	Over/ (Under)
Office of Chief Executive Officer	2	2	-
Human Resources	4	4	-
Vacant Positions	0	1	(1)
Communications	3	3	-
Legislative Affairs	1	1	-
EEO/AA & Vendor Services	4	4	-
Office of Program Operations & Strategic Planning	1	1	-
Capital Planning & Program Operations	7	9	(2)
Design Studio	13	13	-
Grants Administration	7	7	-
Real Estate Services & Predevelopment	3	3	-
Office of Construction Operations	0	0	-
Project Teams	16	18	(2)
Office of Corporate Governance & Legal Affairs	3	3	-
Chief Counsel	7	8	(1)
Information Systems	11	11	-
Central Records Management	3	3	-
Safety	4	4	-
Internal Audit	3	3	-
Office of Chief Financial Officer	1	1	-
Financial Operations	6	7	(1)
Financial Accounting & Disbursements	11	11	-
Procurement	9	10	(1)
Risk Management	2	2	-
Facilities	3	4	(1)
Total Full-Time Employees at Month End	**124**	**133**	**(9)**
Total Full-Time Employees at Year End		**140**	

New Jersey Schools Development Authority
Statement of Net Position
June 30, 2025

	Current Month End	2024 Year End	Over/ (Under)
ASSETS			
Cash and cash equivalents	$ 582,245,425	$ 320,400,925	$ 261,844,500
Receivables	338	1,766,122	(1,765,784)
Prepaid expenses	421,882	157,396	264,486
Capital assets, net of accumulated depreciation	3,515,219	4,033,312	(518,093)
Total Assets	586,182,864	326,357,755	259,825,109
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount for pensions and OPEB	9,048,863	11,148,528	(2,099,665)
Total Deferred Outflows of Resources	9,048,863	11,148,528	(2,099,665)
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	**$ 595,231,727**	**$ 337,506,283**	**$ 257,725,444**
LIABILITIES			
Accrued school facilities project costs	$ 11,475,314	$ 23,717,744	$ (12,242,430)
Unearned revenue	507,593,157	189,326,899	318,266,258
Net pension liability	23,242,844	23,242,844	-
Total other postemployment benefits liability	21,230,926	21,355,792	(124,866)
Other accrued liabilities	5,095,588	8,148,185	(3,052,597)
Deposits	4,254,531	2,300,154	1,954,377
Total Liabilities	572,892,360	268,091,618	304,800,742
DEFERRED INFLOWS OF RESOURCES			
Deferred amount for pensions and OPEB	29,540,707	29,540,707	-
Deferred amount for Federal CPF grant	-	-	-
Total Deferred Inflows of Resources	29,540,707	29,540,707	-
NET POSITION			
Net investment in capital assets	66,542	141,211	(74,669)
Restricted for schools construction:			
Federal CPF grant	-	316,638	(316,638)
Special revenue fund	46,042,551	89,124,118	(43,081,567)
Unassigned/(Unrestricted)	(53,310,433)	(49,708,009)	(3,602,424)
Net Position	(7,201,340)	39,873,958	(47,075,298)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	**$ 595,231,727**	**$ 337,506,283**	**$ 257,725,444**

New Jersey Schools Development Authority
Statement of Activities
June 30, 2025

	Current Year-To Date	2024 Year-To Date	Over/ (Under)
REVENUES			
School Construction Program:			
Debt Defeasance & Prevention Fund grant	$ 31,733,742	$ 18,114,438	$ 13,619,304
Federal CPF grant	4,395,573	7,478,370	(3,082,797)
General:			
Investment earnings	12,422,940	10,337,514	2,085,426
Other revenue	1,407	4,908	(3,501)
Total Revenues	48,553,662	35,935,230	12,618,432
EXPENSES			
Administrative and general expenses	6,532,737	7,216,196	(683,459)
School facilities project costs	89,096,223	156,045,936	(66,949,713)
Total Expenditures/Expenses	95,628,960	163,262,132	(67,633,172)
CHANGE IN NET POSITION	**(47,075,298)**	**(127,326,902)**	**80,251,604**
Beginning of Period Net Position	39,873,958	153,525,148	(113,651,190)
NET POSITION END OF PERIOD	**$ (7,201,340)**	**$ 26,198,246**	**$ (33,399,586)**