

2024 ANNUAL REPORT

FORT MONMOUTH
ECONOMIC REVITALIZATION AUTHORITY



CHAIRWOMAN'S MESSAGE

A message from FMERA Chairwoman McKenzie Wilson:

2024 has been a year of rapid development, removal of blight and replacement of utility infrastructure on Fort Monmouth. FMERA's small team of seven has continued to exceed expectations, with nearly 40 projects complete or in-progress. Construction commenced on RWJBH's new cancer center and Netflix received approvals for their first phase of redevelopment for four sound stages. FMERA closed with Monmouth County on approximately 27 acres of a woodlands preservation area, a set of fabrication shops, and a 34-unit residential property in Oceanport slated for adaptive reuse and new construction. In tandem with FMERA's property redevelopment efforts, critical infrastructure projects to improve the utility and road network are also underway. Specifically, FMERA has completed one new sanitary main installation, demolished the seven remaining abandoned pump stations, removed additional antiquated electrical equipment, demolished vacant buildings, designed new water, electric and sewer services and completed a stormwater study. These efforts have positioned FMERA for a dynamic and successful year in 2025.

I want to thank the FMERA staff, Board, and volunteer committee members, but I also want to recognize the tremendous support and counsel we have received from our many stakeholders and partners, including Tinton Falls, Eatontown, Oceanport, Monmouth County, the New Jersey Economic Development Authority, the New Jersey departments of Environmental Protection, Community Affairs, Transportation, and Labor & Workforce Development, as well as the Governor's Authorities Unit, and the New Jersey Office of the Attorney General. Each of these organizations, and several others that I have not mentioned, have contributed greatly to FMERA's success to date, and will continue to do so into the future.

In 2025, we will continue our mission of helping to create good jobs and produce tax revenue in our host municipalities which will yield benefits to each resident of this community for years to come. Our long-term goals include 10,000 new jobs and \$2.5 billion of investment within the boundaries of the former Fort Monmouth. To the members of the greater public, we continue to invite your interest, comments, and participation as we move forward. Please keep us apprised of your opinions, concerns, and questions via email, telephone, or letter. We look forward to hearing from you.

From the FMERA team, our best wishes to our neighbors and friends for the coming year.

McKenzie Wilson

McKenzie Wilson, Esq. | Chairwoman
Fort Monmouth Economic Revitalization Authority Board

ABOUT FMERA

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY

On August 17, 2010, the Fort Monmouth Economic Revitalization Authority Act, P.L. 2010, c. 51, was signed into law, creating the Fort Monmouth Economic Revitalization Authority (FMERA) to provide investment, continuity, and economic growth to the communities impacted by the federal government's decision to close Fort Monmouth. FMERA replaced the Fort Monmouth Economic Revitalization Planning Authority (FMERPA) and is charged with advancing that entity's plan for reuse and redevelopment of the 1,126 acres of real estate that span parts of Eatontown, Oceanport, and Tinton Falls.

Fort Monmouth had been a key economic driver in Monmouth County and New Jersey since it was established in 1917 as Camp Little Silver. According to a 2008 report completed by the New Jersey Department of Labor and Workforce Development, the closing of Fort Monmouth represented the loss of 5,638 direct jobs and approximately 16,000 indirect jobs in the region. The report also found that more than one-third of the Fort's employees were engineers and scientists.

As such, the 20-year Reuse and Redevelopment Plan (Reuse Plan) for Fort

Monmouth, created by FMERPA, emphasizes the expeditious creation of jobs and encourages economic growth in the region. The plan strives to balance development with the protection and enrichment of natural resources, while also honoring the rich history of the Fort.

The mix of land uses proposed in the plan is deliberately broad to help accelerate redevelopment and provide for the creation of a diverse range of jobs and housing types in order to meet the needs of a demographically diverse population in a competitive and changing marketplace. The inclusion of office, research and development (R&D), business services, light manufacturing, retail, housing, homeless accommodations, and civic space reflects the overarching commitment to fulfill the region's short-, medium-, and long-term development goals and provide broad-based economic opportunity.

In June 2011, the U.S. Department of Housing and Urban Development (HUD) approved the Reuse Plan and the Housing Assistance Submission, which were completed and approved under the auspices of FMERPA and submitted to HUD in September 2008.



Randy Blubischer
PHOTOGRAPHY



Pursuant to its enabling statute, FMERA is empowered to enter into a designated redevelopment agreement with the New Jersey Economic Development Authority (NJEDA) and into redevelopment agreements with public or private redevelopers; adopt land use, development and design guidelines in coordination with the impacted communities; provide and maintain utilities, streets, roads, and other infrastructure; undertake redevelopment activities; and implement revenue-raising measures for the benefit of redevelopment.

FMERA is governed by a 13-member Board. The Board includes nine voting members consisting of three public members appointed by the Governor, one ex-officio member of the Executive Branch appointed by the Governor, the mayors of Eatontown, Tinton Falls, and Oceanport, one member of the Monmouth County Board of County Commissioners, and the Chair of the NJEDA. The Commissioners of the New Jersey Departments of Labor and Workforce Development, Environmental Protection, Community Affairs, and Transportation serve as ex-officio, non-voting members of the board.

Local participation on the Board results in a broad representation of town, county, and state interests. Further, the FMERA law requires that five of the nine voting members be residents of Monmouth County. The general public and relevant New Jersey departments and agencies round out the collaborative effort, ensuring a process that balances the needs and interests of all affected stakeholders.

In May 2012, FMERA took a historic step in the Fort's redevelopment with the signing of a Phase 1 Economic Development Conveyance (EDC)

Agreement outlining the transfer process for the first 500+ acres of the property from the U.S. Army to the Authority. The Phase 1 EDC Agreement, approved by the FMERA Board in April 2012, is the overarching agreement between the Army and FMERA, laying out the process by which the Phase 1 properties were transferred.

FMERA engaged in an extensive negotiation process with the Army to establish the terms of the Phase 1 EDC Agreement which encompasses the first phase of a two-phased process for the property transfer. Phase 1 consists of Charles Wood, and three parcels on the Main Post, which were transferred to FMERA in 2014. Phase 1 parcels include the Golf Course, Howard Commons, Marina, Clinic parcel, Parcel E, Parcel F, Parcel C, Parcel C1, and Parcel B – all totaling just over 500 acres.

In 2016, following extensive negotiations, FMERA purchased the balance of the Fort from the U.S. Army.





PROJECTS

COMPLETED & UNDER CONSTRUCTION

AMENITIES



under construction

RIVERWALK CENTER

RETAIL | RESTAURANT | BUSINESS LOFTS | HOTEL

\$14M CAPITAL INVESTMENT • 150 JOBS



HISTORIC

A scenic view of a marina with several boats docked at a wooden pier. In the background, there are buildings and trees under a clear sky.

THE MARINA AT OCEANPORT

BAR RESTAURANT | OUTDOOR DINING | MARINA WITH BOAT SLIPS

\$1.2M CAPITAL INVESTMENT • 100 JOBS

A person is shown from the chest up, performing a bicep curl with a black dumbbell. They are wearing a blue shirt. In the background, a large black wall features white text.

THERE IS A
SOLDIER IN
EVERYONE AND
WE ARE HERE
TO SET IT FREE.

A wide-angle shot of a modern fitness studio. Several people are working out on various pieces of equipment, including treadmills and free weights. The room has large windows and a clean, bright atmosphere.

FORT ATHLETIC CLUB

HEALTH CLUB | BOUTIQUE STUDIOS

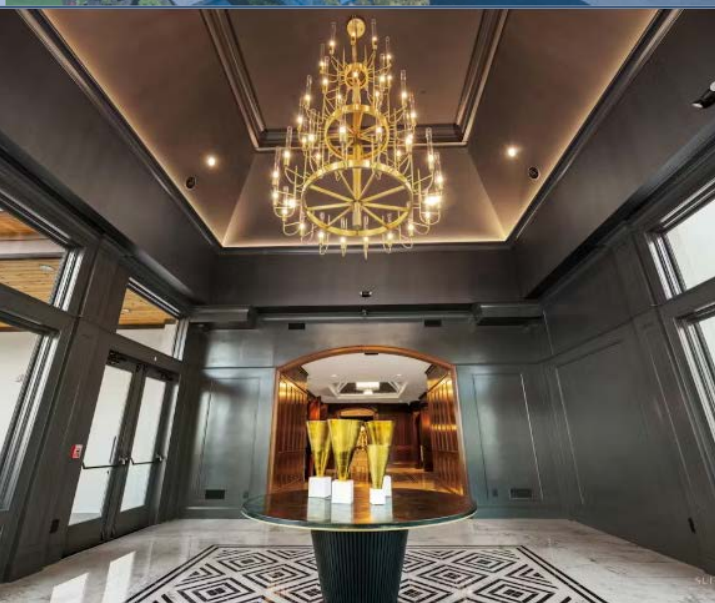
\$7M CAPITAL INVESTMENT • 50 JOBS



SUNEAGLES GOLF COURSE

RESIDENTIAL | RESTAURANT | BANQUET HALL | GOLF

\$31.5M CAPITAL INVESTMENT • 73 JOBS



HISTORIC



COMMISSARY @ BASELINE

FOOD SERVICES | BREWERY | FLEX / OFFICE

\$54.4M CAPITAL INVESTMENT • 750 JOBS



COMMISSARY	
STORE HOURS	
BIRDSMOUTH BEER	
ORIGINAL LAGER	
HOPPY PILSNER	
OKTOBERFEST	
DARK LAGER	
CANS TO GO	
EVERYDAY LAGERS	
ABV	.3L .5L
4.5	\$4.50 \$7
5.0	\$4.50 \$7
5.5	\$4.50 \$7
5.2	\$4.50 \$7
6 PK	\$11.99
12 PK	\$21.99





PARK LOFT

EVENT VENUE | PARK

\$3.1M CAPITAL INVESTMENT • 48 JOBS





TRIUMPHANTLIFE

TRIUMPHANT LIFE CHURCH

HOUSE OF WORSHIP

\$500K CAPITAL INVESTMENT • 10 JOBS

HEALTHCARE



BEACON OF LIFE

ACUTECARE MEDICAL | SENIOR LIVING

\$5M CAPITAL INVESTMENT • 50 JOBS





under construction

RWJ BARNABAS HEALTH

CANCER CENTER | HOSPITAL | HEALTHCARE SUPPORT

\$153.5-\$640M CAPITAL INVESTMENT • 300-1000 JOBS





under construction

EMS FACILITY

REGIONAL EMS FACILITY FOR MONMOUTH COUNTY

\$1M CAPITAL INVESTMENT • 40 JOBS



FABRICATION SHOPS

FLEX SPACE

\$2.25M CAPITAL INVESTMENT • 96 JOBS



I N N O V A T O R S

COMMVAULT

DATA PROTECTION & MANAGEMENT
\$70M CAPITAL INVESTMENT • 900 JOBS



TETHERVIEW

IT INFRASTRUCTURE
\$500K CAPITAL INVESTMENT • 25 JOBS

AASKI

DEFENSE CONTRACTOR
\$500K CAPITAL INVESTMENT • 25 JOBS



EDUCATION

TRINITY HALL

STEM-FOCUSED ALL GIRLS PRIVATE HIGH SCHOOL

\$1M CAPITAL INVESTMENT • 122 JOBS

THIRD EXPANSION UNDERWAY

New Jersey City University
SQUIER HALL

NJCU

HIGHER EDUCATION | HEALTHCARE TRAINING

\$10.4M CAPITAL INVESTMENT • 70 JOBS



HISTORIC

ANTHEM PLACE & PATRIOTS SQUARE

LENNAR

SINGLE FAMILY HOMES | TOWNHOMES, STACKED FLATS

\$11.7M CAPITAL INVESTMENT • 43 CONSTRUCTION JOBS

\$53M CAPITAL INVESTMENT • 203 CONSTRUCTION JOBS





under construction

PARKERS CREEK

PULTE HOMES

LUXURY TOWNHOMES

\$30M CAPITAL INVESTMENT • 231 CONSTRUCTION JOBS



under construction

FORMER NURSES QUARTERS

RPM

REHABILITATED APARTMENTS & NEW TOWNHOMES

\$6.7M CAPITAL INVESTMENT • 38 CONSTRUCTION JOBS



EAST GATE & LIBERTY WALK

RPM



HISTORIC OFFICER HOUSING

\$25M CAPITAL INVESTMENT • 50 CONSTRUCTION JOBS



HISTORIC



under construction

BARKER CIRCLE PARTNERSHIP

RESIDENTIAL | OFFICE | RESTAURANT/EVENTS

\$22M CAPITAL INVESTMENT • 120 JOBS



HISTORIC

COMMUNITY BENEFITS



A circular inset image showing a green building with a sign that reads "FORT MONMOUTH RECREATION CENTER" and "WOODLANDS PARCEL". An American flag is flying on a pole in the foreground.

**FORT MONMOUTH
RECREATION CENTER
AND
WOODLANDS PARCEL**
MONMOUTH COUNTY

A circular inset image showing a large, cylindrical water storage tank in a field. A green banner is overlaid on the image.

WATER TANK
NEW JERSEY AMERICAN WATER
STORAGE TANK

A circular inset image showing children playing in a splash pad at a park. A green banner is overlaid on the image.

**CAPTAIN JAMES M. GURBISZ
MEMORIAL PARK**
BOROUGH OF EATONTOWN

COMMUNITY BENEFITS





PROJECTS

UNDER CONTRACT



HOWARD COMMONS

HOWARD COMMONS ► EATONTOWN

On December 29, 2014, FMERA publicly advertised a Request for Offers to Purchase (RFOTP) for approximately 63.67 acres of land and improvements located in the Charles Wood Area of Fort Monmouth known as the Howard Commons Parcel. The property is slated for redevelopment as a residential community with a limited commercial component. Facing environmental challenges, this property has taken several years to come to contract and is now under contract with the only remaining bidder on the property, [Lennar](#). The selected potential purchaser is a well-known home builder, with a track record of nationwide and Fort-wide success in the residential and commercial markets. The site will boast 275 brand new residential units and will remove all existing blight. The planned capital investment is approximately \$66 million.

TINTON FALLS COMMERCIAL PARCEL ► TINTON FALLS

In support of its healthcare campus project at the former Myer Center site, [RWJBarnabas Health](#) proposed to invest approximately \$100 million to construct a three-story medical office building; active recreational facilities, including two multi-purpose grass or turf athletic fields, one baseball / softball field, up to five tennis courts, and a field house (which may be expanded in the future to include bathrooms, locker rooms or other similar amenities); a community walking / nature trail that enhances walkability and interconnectedness of the Tinton Falls section of Fort Monmouth and; open space to benefit the surrounding area.



TINTON FALLS COMMERCIAL PARCEL





MEGA PARCEL ► EATONTOWN & OCEANPORT

In addition to the goals outlined in FMERA's Reuse & Redevelopment Plan, the Mega Parcel RFOTP, issued March 8, 2022, aligned with the Governor's strategic priorities to overcome the State's largest economic challenges, as described in the Governor's Economic Plan.

Netflix received the top evaluation score.

Netflix's plans for a sustainable, integrated film studio campus will bring nearly \$850 million in capital investment and will be completed in multiple phases over the course of several years. The project will include the construction of 12 soundstages that will range in size from 15,000 square-feet to 40,000 square-feet each with a minimum buildout of 180,000 square-feet and a maximum buildout of 480,000 square-feet. Additional and ancillary improvements may include, office space, production services buildings, mill space, and studio backlots, among other uses customary to the film industry, with the potential for several consumer-facing components, such as retail and consumer experiences. Any buildings that have not been targeted for reuse must be demolished within two years of closing on the property, regardless of the phased redevelopment plan.

The redevelopment of the property will also include the historic preservation of Greely Field as open space and the WWII Monument located within, as well as Cowan Park and its flagpole. **Netflix** will also construct and improve a portion of Fort Monmouth's walking trail system, for public use and enjoyment.

Throughout the year, **Netflix** has made significant progress on its approvals, set plans in motion for pre-closing abatement and demolition work, and indicated its interest in closing early on the property.



RECOGNITION & LEADERSHIP

FMERA has worked closely with the boroughs of Tinton Falls, Eatontown, and Oceanport to meet the needs of each community — introducing new amenities, retaining highly-skilled jobs, and working toward a vibrant, pedestrian-friendly environment. With the support of local leadership, FMERA is advancing its goal of revitalizing and reactivating nearly 1,200 acres. To date, over 86 percent of the Fort is sold, under contract, or in negotiations. The success of the Fort's redevelopment would not be possible without great working relationships with FMERA's partners in each of the boroughs and Monmouth County, the support of the NJEDA and other state agencies, the leadership of our Board and Board Committees, and valuable feedback from our community stakeholders.



2025 BOARD MEMBERS

McKenzie Wilson
Public Member
Chairwoman

Anthony Talerico, Jr.
Mayor, Eatontown
Vice Chairman

Stephen Gallo
Public Member

Terence O'Toole
Chairman

New Jersey Economic Development Authority

Aaron Creuz
Deputy Chief Counsel
Governor's Authorities Unit

Thomas Arnone
Commissioner Director, County of Monmouth

Thomas Tvrdik
Mayor, Oceanport

Risa Clay
Mayor, Tinton Falls

Shawn LaTourette
Commissioner
New Jersey Department of Environmental Protection

Francis K. O'Connor
Acting Commissioner
New Jersey Department of Transportation

Jacquelyn A. Suárez
Acting Commissioner
New Jersey Department of Community Affairs

Robert Asaro-Angelo
Commissioner
New Jersey Department of Labor & Workforce Development

BOARD COMMITTEES

Audit Committee
Mayor Anthony Talerico, Jr.
Thomas Neff (*designee for Mayor Clay*)
Stephen Gallo

Real Estate Committee
McKenzie Wilson
Mayor Anthony Talerico, Jr.
Commissioner Director Thomas Arnone
Mayor Thomas Tvrdik

LEADERSHIP & STAFF

Kara Kopach
Executive Director

Laura Drahushak
Managing Director

Regina McGrade
Administrative Manager

REAL ESTATE

Sarah Giberson
Director of Real Estate Development & Marketing

FACILITIES & INFRASTRUCTURE

Kristy Dantes
Senior Advisor - Facilities & Infrastructure

Joe Fallon
Senior Environmental Officer

FINANCE

Jennifer Lepore
Accounting Manager

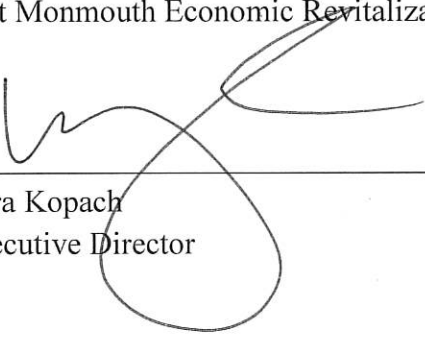
Certifications Pursuant to Executive Order 37

June 9, 2025

In accordance with Executive Order No. 37, the Fort Monmouth Economic Revitalization Authority's 2023 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant actions of the Authority for the year.

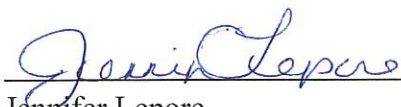
The report of independent auditors, CliftonLarsonAllen, LLP, dated May 28, 2025, is attached and completes FMERA's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

I, Kara Kopach, certify that the financial information provided to the Independent Auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Fort Monmouth Economic Revitalization Authority for the year ended December 31, 2024.



Kara Kopach
Executive Director

I, Jennifer Lepore, certify that the financial information provided to the Independent Auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Fort Monmouth Economic Revitalization Authority for the year ended December 31, 2024.



Jennifer Lepore
Accounting Manager

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
OCEANPORT, NEW JERSEY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2024 AND 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	5
FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	10
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	12
STATEMENTS OF CASH FLOWS	13
NOTES TO FINANCIAL STATEMENTS	15
SUPPLEMENTARY INFORMATION	
COMBINING SCHEDULES OF NET POSITION	28
COMBINING SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	30
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES BY FUND	32
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS	33
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS	34
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	35
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	37
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	40



INDEPENDENT AUDITORS' REPORT

Audit Committee and Management
Fort Monmouth Economic Revitalization Authority
Oceanport, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Fort Monmouth Economic Revitalization Authority (the Authority), a component unit of the state of New Jersey, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining schedule of net position, combining schedule of revenues, expenses, and changes in net position, the schedule of general and administrative expenses by fund, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining schedule of net position, combining schedule of revenues, expenses, and changes in net position, the schedule of general and administrative expenses by fund, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

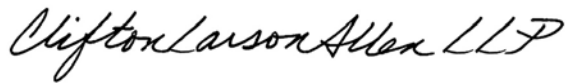
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
May 28, 2025

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024**

This section of the Fort Monmouth Economic Revitalization Authority's (the Authority or FMERA) annual financial report presents management's discussion and analysis of the Authority's financial performance for the years ended on December 31, 2024 and 2023. Please read it in conjunction with the Authority's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The purpose of the Authority is to implement the comprehensive Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan) for redevelopment and revitalization of the 1,126 acres comprising Fort Monmouth. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The financial statements report information about the Authority using full accrual accounting method as utilized by private businesses engaged in comparable business activities, such as real estate development.

2024 FINANCIAL HIGHLIGHTS

- The Authority's net position increased \$12,648,302
- Total assets increased \$12,298,867
- Total liabilities decreased \$349,435
- Capital assets – net decreased \$8,400
- Earned \$2,114,901 in other revenue from Mandatory Conceptual Review application income, the contribution from the New Jersey Economic Development Authority (NJEDA) for the use and occupancy of a portion of the FMERA office building, reimbursements from developers for infrastructure projects and other miscellaneous income.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position: The following table summarizes the changes in net position for the years ended December 31, 2024, 2023, and 2022:

	2024	2023	Dollar Change	Percentage Change	2022	Dollar Change	Percentage Change
Current Assets	\$ 77,762,556	\$ 64,279,149	\$ 13,483,407	21 %	\$ 66,332,279	\$ (2,053,130)	(3)%
Noncurrent Assets	14,622	1,199,162	(1,184,540)	(99)	1,251,840	(52,678)	(4)
Total Assets	77,777,178	65,478,311	12,298,867	19	67,584,119	(2,105,808)	(3)
Current Liabilities	25,864,878	25,487,700	377,178	1	21,508,431	3,979,269	19
Noncurrent Liabilities	14,504,966	15,231,579	(726,613)	(5)	19,444,968	(4,213,389)	(22)
Total Liabilities	40,369,844	40,719,279	(349,435)	(1)	40,953,399	(234,120)	(1)
Net Position	\$ 37,407,334	\$ 24,759,032	\$ 12,648,302	51	\$ 26,630,720	\$ (1,871,688)	(7)

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024**

During 2024, the Authority's combined net position increased \$12.648 million (or 51%) due to:

\$(773) thousand	Economic Development Conveyance (EDC) (operating costs exceeded revenue)
\$(4) thousand	Federal Grant Funds (operating costs exceeded revenue)
\$13.397 million	State Appropriation for infrastructure revenue and disbursements
\$7 thousand	Decrease in direct office support expenses
\$21 thousand	Homeless Fund revenue, disbursements, and interest income

During 2023, the Authority's combined net position decreased \$1.872 million (or 7%) due to:

\$(2.661) million	Economic Development Conveyance (EDC) (operating costs exceeded revenue)
\$(22) thousand	Office of Economic Adjustment (OEA) grant (negative amount is due to depreciation of Building Improvements on the former Post Library used as the Authority's offices)
\$1 thousand	Interest on Federal Grant Funds
\$1.019 million	State Appropriation for infrastructure revenue and disbursements
\$(12) thousand	Increase in direct office support expenses
\$(197) thousand	Homeless Fund revenue, disbursements, and interest income

Operating Activities

The Authority was created to help provide investment, continuity, and economic growth to the communities impacted by the federal government's 2005 decision to close the Army Garrison at Fort Monmouth (the Fort). FMERA has been designated by the state of New Jersey to lead the economic redevelopment of the Fort, with a focus on technology-based industries. The former Fort consists of 1,126 acres located within the jurisdictions of Eatontown, Oceanport, and Tinton Falls, all within Monmouth County, New Jersey. The Army ceased operations and formally closed Fort Monmouth on September 15, 2011.

The Reuse Plan is a highly collaborative blueprint for action to:

- Promote, develop, encourage and maintain employment, commerce, economic development, and the public welfare;
- Conserve natural resources; and
- Advance the general prosperity and economic welfare of the people in the affected communities and throughout the state.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024**

FMERA continues its commitment to the implementation process and its mission to: create an atmosphere in which employers will employ, and investors will invest, to maximize the jobs created and the value of the property. The Authority has been granted many tools through its forming legislation, in order to revitalize and redevelop the former Fort Monmouth property and implement the Reuse Plan. Among these is the ability to undertake redevelopment projects, adopt development and design guidelines and land use regulations, and maintain or upgrade utilities, streets, roads or other infrastructure required by the Reuse Plan. The Reuse Plan and the "Homeless Assistance Submission" (HAS) were submitted to the United States Departments of Defense (DOD) and Housing and Urban Development (HUD) on September 4, 2008 for their review. HUD issued its favorable determination letter on June 16, 2011 enabling the Authority to move forward with implementing the Reuse Plan. Upon the execution of the Phase 1 EDC Agreement on June 25, 2012, FMERA commenced the redevelopment of the former Fort Monmouth and obtained title for 500 acres of former Army property.

The Phase 1 EDC is comprised of 563 acres, including the Charles Wood Area (in Tinton Falls and Eatontown), Parcel B (in Eatontown), and the Clinic and Marina parcels (in Oceanport). FMERA received the Phase 1 deed on May 29, 2014, except for Parcels E and the Clinic parcel, the titles for which were transferred to FMERA in 2012 and 2013, respectively and the Marina Parcel which was transferred in 2019.

The Phase 2 EDC is comprised of the remaining 563 acres of the former Fort, split between Eatontown and Oceanport. The transfer of the balance of the Main Post was accomplished under a Phase 2 Memorandum of Agreement. The Phase 2 Parcels were purchased by FMERA from the Army on November 17, 2016. The purchase was financed by a loan from the MICA.

As a recognized implementation Local Redevelopment Authority (LRA), under the Base Realignment and Closure (BRAC) law, the Authority was eligible for financial assistance through the Defense Economic Adjustment Program and administered by the OEA. The OEA is the Department of Defense's primary source for assisting communities that are adversely impacted by Defense program changes such as base closures. Grant assistance is available for organizing and planning economic recovery, and the implementation of Reuse Plans in response to the closure of military installations. This program has no statutory formula. Generally, not less than 10% of the project's total proposed funding is to be comprised of nonfederal sources. Grant revenue is earned when the Authority has complied with the terms and conditions of the grant agreements. The Authority's final grant and assistance from OEA ended on June 30, 2017. The Authority earned income from conveyance revenue on the transfer of the Phase 1 and 2 EDC parcels to third-party buyers according to the terms of the Phase 1 and 2 EDC Agreements.

The following table summarizes changes in operating and nonoperating activities between fiscal year 2024, 2023, and 2022:

	2024	2023	Dollar Change	Percentage Change	2022	Dollar Change	Percentage Change
Operating Revenue	\$ 4,335,813	\$ 1,302,927	\$ 3,032,886	233 %	\$ 8,889,527	\$ (7,586,600)	(85)%
Operating Expenses	11,951,547	13,404,705	(1,453,158)	(11)	14,000,678	(595,973)	(4)
Operating Income (Loss)	(7,615,734)	(12,101,778)	4,486,044	(37)	(5,111,151)	(6,990,627)	137
Nonoperating Revenue	20,264,036	10,230,090	10,033,946	98	12,553,127	(2,323,037)	(19)
Change in Net Position	12,648,302	(1,871,688)	14,519,990	(776)	7,441,976	(9,313,664)	(125)
Net Position -							
Beginning of Year	24,759,032	26,630,720	(1,871,688)	(7)	19,188,744	7,441,976	39
Net Position -							
End of Year	<u>\$ 37,407,334</u>	<u>\$ 24,759,032</u>	<u>\$ 12,648,302</u>	51	<u>\$ 26,630,720</u>	<u>\$ (1,871,688)</u>	(7)

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024**

Operating Revenue and Expenses

During 2024, the Authority's operating revenues were impacted by the following:

- Gain on Sale of Land increased by \$1,350,230 – Due to an increase in land sales from 2023 to 2024.
- Federal Grant Revenue increased by \$775,182 – Due to the recognition of more State Coronavirus Fiscal Recovery Funds (CSFRF) for Fort Monmouth Water and Sewer projects compared to 2023.
- Other income increased by \$907,474 – Due to the contribution from the New Jersey Economic Development Authority (NJEDA) for the use and occupancy of a portion FMERA's office building, and other miscellaneous income from 2023 to 2024.

During 2023, the Authority's operating revenues were impacted by the following:

- Gain on Sale of Land decreased by \$2,389,594 – Due to a decrease in land sales from 2022 to 2023.
- Federal Grant Revenue decreased by \$5,092,816 – Due to the receipt of less State Coronavirus Fiscal Recovery Funds (CSFRF) for Fort Monmouth Water and Sewer projects.
- Other income increased by \$343,037 – Due to the contribution from the NJEDA for the use and occupancy of a portion of FMERA's office building and other Miscellaneous income from 2022 to 2023.

The 2024 Operating Revenue increased by \$3,032,886 primarily as a result of an increase in land sales and other revenue in 2024 compared to 2023.

The 2024 Operating Expenses decreased by \$1,453,158 compared to 2023. The 2024 Program Costs were \$1,308,844 less than 2023 due primarily to a decrease in legal fees, property maintenance costs, and infrastructure project costs. The 2024 Homeless Fund expenses decreased by \$141,381 due to the Authority making less payments than 2023 toward the Homeless Fund obligation per the Legally Binding Agreements for Homeless Provider Services. Interest Expense on Loan Payable decreased by \$13,604 from the Authority having a lower principal balance on the loans received from NJEDA in 2024 compared to 2023. Direct Office Support increased by \$67,925 due to an increase in staff salary and fringe compared to 2023.

Nonoperating Revenue

In 2024, nonoperating revenues increased by \$10,033,946 due the Authority receiving a higher appropriation from the Fiscal Year 2023-2024 New Jersey State Budget compared to 2022-2023 New Jersey State Budget.

Impact of Future Economic Events

In 2025, the Authority is anticipating the sale of approximately two parcels. After payments to the Army and Homeless Fund, the Authority estimates net sales revenue to be approximately \$110 thousand. A portion of the net proceeds from the sales of these parcels will be used to pay down the Working Capital Loan from NJEDA.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024**

Contacting the Authority's Management

This financial report is designed to provide a general overview of the Authority's finances. If there are questions about the Authority's report or if additional information is needed, please contact the Executive Director of the Fort Monmouth Economic Revitalization Authority, by mail at P.O. Box 267, Oceanport, New Jersey 07757.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

ASSETS	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 329,888	\$ 329,888
Other Receivables	1,490,035	472,581
Land - Held for Resale	36,678,810	38,159,231
Prepaid Assets - Future Land Conveyance	108,896	108,896
Prepaid Expenses	<u>175,929</u>	<u>181,561</u>
Total Unrestricted Assets	38,783,558	39,252,157
Restricted Assets:		
Cash - Economic Development Conveyance	4,982,586	4,274,767
Cash - Homeless Fund	2,260,825	2,109,485
Cash - Federal Funds	-	207,242
Cash - State Funds	23,077,087	9,669,229
Escrow Deposits - Property Sales	<u>8,658,500</u>	<u>8,766,269</u>
Total Restricted Assets	38,978,998	25,026,992
NONCURRENT ASSETS		
Other Receivables	-	1,176,140
Capital Assets, Net	<u>14,622</u>	<u>23,022</u>
Total Noncurrent Assets	<u>14,622</u>	<u>1,199,162</u>
 Total Assets	 <u><u>\$ 77,777,178</u></u>	 <u><u>\$ 65,478,311</u></u>

See accompanying Notes to Financial Statements.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2024 AND 2023

LIABILITIES AND NET POSITION	<u>2024</u>	<u>2023</u>
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 532,039	\$ 522,311
Deposits - Property Sales	8,658,500	8,766,269
Land Conveyance Liabilities	9,728,099	10,255,741
Interest Payable	44,188	52,696
Working Capital Loan Payable	4,192,064	4,213,389
Unearned Revenue	-	365,684
Due to NJ Economic Development Authority	2,709,988	1,311,610
Total Current Liabilities	<u>25,864,878</u>	<u>25,487,700</u>
NONCURRENT LIABILITIES		
Direct Loan Payable	<u>14,504,966</u>	<u>15,231,579</u>
Total Noncurrent Liabilities	<u>14,504,966</u>	<u>15,231,579</u>
 Total Liabilities	 40,369,844	 40,719,279
NET POSITION		
Investment in Capital Assets	14,622	23,022
Restricted	33,366,734	19,071,634
Unrestricted	<u>4,025,978</u>	<u>5,664,376</u>
Total Net Position	<u>37,407,334</u>	<u>24,759,032</u>
 Total Liabilities and Net Position	 <u><u>\$ 77,777,178</u></u>	 <u><u>\$ 65,478,311</u></u>

See accompanying Notes to Financial Statements.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Federal Grants	\$ 870,682	\$ 95,500
Gain on Sale of Land	1,350,230	-
Other	<u>2,114,901</u>	<u>1,207,427</u>
Total Operating Revenues	4,335,813	1,302,927
OPERATING EXPENSES		
Direct Office Support	1,390,919	1,322,994
General and Administrative	177,230	191,206
Homeless Fund	84,550	225,931
Program Costs	9,908,751	11,217,595
Interest Expense on Loan Payable	380,697	394,301
Working Capital Loan Fees	1,000	-
Depreciation	<u>8,400</u>	<u>52,678</u>
Total Operating Expenses	<u>11,951,547</u>	<u>13,404,705</u>
OPERATING LOSS	(7,615,734)	(12,101,778)
NONOPERATING REVENUE		
State Appropriation	20,000,000	10,000,000
Interest Income	264,036	228,968
Other	<u>-</u>	<u>1,122</u>
Total Nonoperating Revenue	<u>20,264,036</u>	<u>10,230,090</u>
CHANGE IN NET POSITION	12,648,302	(1,871,688)
Net Position - Beginning of Year	<u>24,759,032</u>	<u>26,630,720</u>
NET POSITION - END OF YEAR	<u><u>\$ 37,407,334</u></u>	<u><u>\$ 24,759,032</u></u>

See accompanying Notes to Financial Statements.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Federal Grants	\$ 667,498	\$ (163,000)
Receipts from Customers and Users (Miscellaneous)	2,115,468	1,486,541
Payments for Personnel Services	-	(1,335,772)
Payments to Suppliers	(10,450,534)	(11,982,010)
Deposits Received	(107,769)	(285,299)
Deposits Returned	107,769	(7,292,939)
Proceeds from Property Sale	2,869,400	-
Payments to U.S. Army	(566,392)	-
Payments Related to Homeless Fund	(84,550)	(225,931)
Net Cash Used by Operating Activities	<u>(5,449,110)</u>	<u>(19,798,410)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriation	20,000,000	10,000,000
Loan Payments of Working Capital Loan Payable	(21,325)	-
Working Capital Loan Fees	(1,000)	-
Loan Payments of Direct Loan Payable	(726,613)	-
Miscellaneous Nonoperating Income	-	1,122
Net Cash Provided by Noncapital Financing Activities	<u>19,251,062</u>	<u>10,001,122</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	<u>257,823</u>	<u>229,454</u>
Net Cash Provided by Investing Activities	<u>257,823</u>	<u>229,454</u>
NET INCREASE (DECREASE) IN CASH	14,059,775	(9,567,834)
Cash - Beginning of Year	<u>16,590,611</u>	<u>26,158,445</u>
CASH - END OF YEAR	<u><u>\$ 30,650,386</u></u>	<u><u>\$ 16,590,611</u></u>

See accompanying Notes to Financial Statements.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (7,615,734)	\$ (12,101,778)
Adjustments to Reconcile Operating Loss to Net Cash		
Used by Operating Activities:		
Depreciation Expense	8,400	52,678
Working Capital Loan Fees	1,000	-
Change in Assets and Liabilities:		
Other Receivables	164,899	(210,519)
Prepaid Expenses	5,632	(11,732)
Land - Held for Resale	1,480,421	-
Accounts Payable and Accrued Liabilities	9,728	(178,659)
Deposits - Property Sales	-	(7,578,238)
Land Conveyance Liabilities	(527,642)	-
Interest Payable	(8,508)	-
Unearned Revenue	(365,684)	254,000
Due to NJ Economic Development Authority	1,398,378	(24,162)
Net Cash Used by Operating Activities	<u>\$ (5,449,110)</u>	<u>\$ (19,798,410)</u>

See accompanying Notes to Financial Statements.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Authority

The Fort Monmouth Economic Revitalization Authority (FMERA or the Authority), a body corporate and politic and an instrumentality and component unit of the state of New Jersey (the State), was created by the enactment and approval of P.L.2010, c.51 (Act) on August 17, 2010, by the State Legislature and the Governor, respectively. The purpose of the Authority is to implement the comprehensive Fort Monmouth Reuse and Redevelopment Plan (the Plan) for redevelopment and revitalization of the 1,126 acres comprising Fort Monmouth. The Plan and the "Homeless Assistance Submission" were submitted to the United States Department of Defense and Housing and Urban Development on September 4, 2008 for their review and approval. The United States Department of Housing and Urban Development issued their favorable determination letter on June 16, 2011, enabling the Authority to move forward with implementing the Plan.

The Authority does not have component units that should be included within its financial statements.

Fort Monmouth Homeless Fund

The Authority administers the funds of the Fort Monmouth Homeless Fund, as established by four (4) Legally Binding Agreements (LBAs) approved by the department of Housing and Urban Development (HUD). The New Jersey Housing Mortgage Finance Agency (HMFA) was the agency designated for coordinating the homeless services in New Jersey at the time the LBAs were executed. They were officially relieved of their responsibilities in this regard for such services at Fort Monmouth in March 2014 and the Authority was designated as the agency responsible for coordinating such homeless services and implementing the Homeless Assistance Submission. At December 31, 2024 and 2023, the cash held in the segregated accounts have been included in the Authority's statements of net position as an asset. The cash balances total \$2,260,825 and \$2,109,485 at December 31, 2024 and 2023, respectively.

Basis of Accounting and Presentation

The financial statement presentation has been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the standard-setting body for governmental accounting and financial reporting.

The Authority follows proprietary fund type accounting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Separate accounts are maintained for each fund to ensure observance of limitations and restrictions on the use of financial resources. Financial resources are classified for accounting and reporting purposes in funds established according to their nature and purpose.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Economic Development Conveyance

The Authority recognizes revenue to the extent the fair market value of property transferred to FMERA by the United States Department of the Army (Army) without cash consideration exceeds the aggregate of the Economic Development Conveyance contracted liabilities to the Army and the FMERA Homeless Fund for such parcel in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

In a nonexchange transaction, a government gives value without directly receiving equal value in return. Voluntary nonexchange transactions include entitlements, which included the Authority's receipt of both cash and property from the federal government and the United States Department of the Army.

Gain or Loss on Property Sales

Property transferred to FMERA by the Army for cash consideration, such as the Phase 2 purchase, is an exchange transaction as the contracted liabilities to the Army are satisfied at the time of conveyance.

The Authority recognizes a gain or loss on property sales at the time of settlement to the extent that the purchase price exceeds or is less than the carrying value of the parcel.

Lease and Operating Fee Revenue

The Authority recognizes lease and operating fee revenue when earned in accordance with the provisions of the underlying lease and operating agreements.

Nonoperating Revenue

Nonoperating revenues include income earned on the investment of funds, State Appropriations, and other miscellaneous income.

Cash and Cash Equivalents

The Authority considers all highly liquid debt instruments purchased with an initial maturity of three months or less, and units of participation in the State of New Jersey Cash Management Fund (NJCMF) to be cash equivalents. The NJCMF is managed by the State's Division of Investment under the Department of the Treasury. All investments must fall within the guidelines set forth by the Regulations of the State Investment Council. The Division of Investment is permitted to invest in a variety of securities to include obligations of the U.S. Government and certain of its agencies, certificates of deposit, commercial paper, repurchase agreements, bankers' acceptances, and loan participation notes. Investment guidelines provide that all investments in the NJCMF should mature or are to be redeemed within one year, except that up to 25% of the NJCMF may be invested in eligible securities which mature with 25 months; provided, however, that the average maturity of all investments in the NJCMF shall not exceed one year.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Income Taxes

The Authority is exempt from both federal and state income taxes.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

Land Held for Resale

Economic Development Conveyance (EDC) assets conveyed by the Army without cash consideration (Phase 1) are stated at their estimated fair market value at the date of transfer. EDC assets purchased from the Army for cash consideration (Phase 2) are recorded at cost.

Capitalization Policy

Unless material, it is the Authority's policy to expense all costs of an administrative nature. Administrative expenditures typically include expenses directly incurred to support staff operations. Capital assets are stated at cost and the capitalization threshold is \$35,000.

Depreciation Policy

Depreciation is computed when the asset is placed in service using the straight-line method over the following estimated economic life of the assets:

Building and Leasehold Improvements	10 Years, Lease Term
Vehicles	5 Years
Furniture and Equipment	5 to 7 Years

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases and Subscription-Based Information Technology Arrangements (SBITA)

The Authority's lease and SBITA contracts generally relate to land, buildings, various equipment, and information technology. For short-term leases with a maximum possible term of 12 months or less at commencement, the Authority recognizes periodic revenue or expense based on the provision of the lease and SBITA contracts. For all other contracts where the Authority is the lessee, that meet the requirements of GASB 87 or 96 and were in excess of the minimum dollar threshold, the Authority will recognize a lease/contract liability and an intangible right to use asset based on the present value of the future lease/SBITA payments over the contracted term of the contract. The Authority uses its estimated incremental borrowing rate as the discount rate for leases and SBITA unless the rate the lessor charges is known. This rate is based on the working capital loan's weighted average interest rate for a given year.

If amendments or other certain circumstances occur that are expected to significantly affect the amount of the lease/SBITA, the present value is remeasured, and corresponding adjustments made. Payment based on future performance are not included in the measurement of the lease/SBITA liability or leases receivable but recognized as expense or revenue in the period performed. Residual value guarantees and exercise options will be included in the measurement if they are reasonably certain to be paid or exercised.

A minimum dollar threshold was established for lease reporting purposes of \$35,000.

NOTE 2 CASH BALANCES

At December 31, 2024 and 2023, the Authority maintained Government Advantage Interest Checking Accounts with a financial institution. Cash deposits in the checking accounts totaled \$31,531,904 and \$14,390,864, respectively.

Petty cash totaled \$1 as of December 31, 2024 and 2023, respectively.

Additionally, the Authority has an account with the State of New Jersey Cash Management Fund (NJCMF). Cash deposits in this account totaled \$134,409 at December 31, 2024 and \$127,683 at December 31, 2023. In accordance with State Investment Council Regulations, units of ownership in the NJCMF may be purchased or redeemed on any business day (excluding state holidays) at the unit cost or value of \$1.00. Investment income and net realized gains and losses on investments are distributed daily in the form of additional whole units at the current day's net asset value. Fractional units are included in the succeeding day's distribution.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 CASH BALANCES (CONTINUED)

The NJCMF values participants' shares on a fair value basis. Specifically, the NJCMF distributes income to participants on a daily basis based on (1) realized investment gains and losses calculated at market (and added to the Reserve Fund for the prorate portion of such gains attributable to "Other-than-State" participants), (2) interest income based on stated rates, (3) amortization of discounts and premiums on a straight-line basis, and (4) administrative and reserve fund fees charged only to "Other-than-State" participants.

Fort Monmouth Homeless Funds were on deposit with a financial institution in a Government Advantage Interest Checking Account. At December 31, 2024 and 2023, the cash deposits totaled \$1,629,963 and \$1,510,193, respectively. In addition, the amount invested with the New Jersey Cash Management Fund totaled \$630,862 and \$599,292, respectively.

The Authority's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. At December 31, 2024 and 2023, the Authority's uncollateralized amounts in excess of federal depository insurance limits was \$33,427,138 and \$16,128,032, respectively.

NOTE 3 ESCROW DEPOSIT – PROPERTY SALE

At December 31, 2024, the Authority had escrow deposits of \$8,658,500 from third-party purchasers per the contracts to sell the Tinton Falls Commercial Parcel, Howard Commons, and the Mega Parcel. Escrow funds were on deposit with the attorney trust accounts.

At December 31, 2023, the Authority had escrow deposits of \$8,766,269 from third-party purchasers per the contracts to sell the Fabrication Shops, the Tinton Falls Commercial Parcel, Howards Commons, the Nurses Quarters, and the Mega Parcel. Escrow funds were on deposit with the attorney trust accounts.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 OTHER RECEIVABLES

At December 31, 2024 and 2023, included in other receivables – current was as follows:

	2024	2023
In-Kind Services	\$ 109,604	\$ 111,438
Utility and Property Maintenance	184,785	185,350
Interest Receivable	19,506	13,293
Squier Hall Parcel Sale	1,176,140	-
Infrastructure Reimbursement	-	162,500
	<u>\$ 1,490,035</u>	<u>\$ 472,581</u>

At December 31, 2024 and 2023, included in other receivables – noncurrent was as follows:

	2024	2023
Squier Hall Parcel Sale	<u>\$ -</u>	<u>\$ 1,176,140</u>

NOTE 5 CAPITAL ASSETS, NET

The following schedule detail changes in capital assets by major class that occurred during the year ended December 31, 2024:

	Balance December 31, 2023	Additions	Deletions	Transfers	Balance December 31, 2024
Capital Assets, Being Depreciated:					
Building Improvements	\$ 883,812	\$ -	\$ -	\$ -	\$ 883,812
Total Being Depreciated	883,812	-	-	-	883,812
Accumulated Depreciation:					
Building Improvements	860,790	8,400	-	-	869,190
Total Accumulated Depreciation	860,790	8,400	-	-	869,190
Total Capital Assets, Being Depreciated, Net	<u>\$ 23,022</u>	<u>\$ (8,400)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,622</u>

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 CAPITAL ASSETS, NET (CONTINUED)

The following schedule detail changes in capital assets by major class that occurred during the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Deletions	Transfers	Balance December 31, 2023
Capital Assets, Being Depreciated:					
Building Improvements	\$ 883,812	\$ -	\$ -	\$ -	\$ 883,812
Total Being Depreciated	883,812	-	-	-	883,812
Accumulated Depreciation:					
Building Improvements	808,112	52,678	-	-	860,790
Total Accumulated Depreciation	808,112	52,678	-	-	860,790
Total Capital Assets, Being Depreciated, Net	<u>\$ 75,700</u>	<u>\$ (52,678)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,022</u>

Total depreciation expense for fiscal years 2024 and 2023 was \$8,400 and \$52,678, respectively.

NOTE 6 LAND – HELD FOR RESALE

At December 31, 2024 the Authority held title to all of the Phase 1 property with the exception of the following: Parcel E which sold in January 2013, the Clinic Parcel which sold in March 2014, Building 2525 which sold in February 2016, the Child Development Center which sold in March 2016, Parcel F-3 which sold in February 2017, the Teen Center Parcel which sold in February 2018, the Charles Wood Firehouse which sold in May 2018, Parcel C-1 which a portion was sold in September 2018, Parcel C which sold in March 2019, the remaining portion of Parcel C-1 which sold in December 2019, the Golf Course which sold in December 2020, the Marina which sold in March 2021, the New Jersey American Water Tank Parcel which sold in April 2021, Parcel F-1 which sold in December 2022, the Fab Shop Parcel which sold in September 2024 and the County Woodlands Green Acre Parcel which sold in December 2024. The remaining Phase 1 properties were recorded at an estimated fair market value of \$19,330,772 and \$20,030,772 as of December 31, 2024 and 2023, respectively, based on: independent real estate appraisals, where available; purchase offers submitted in response to the Authority's Request for Offers to Purchase; and market value estimates prepared by the Authority's staff.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 6 LAND – HELD FOR RESALE (CONTINUED)

At December 31, 2024 the Authority also held title to all of the Phase 2 property with the exception of the Motor Pool which was sold to Monmouth County in November 2016, the County Homeless Shelter which was conveyed to Monmouth County in November 2016 at no cost, the Officers Housing which sold in January 2017, the Main Post Chapel which sold in February 2017, Russel Hall which sold in June 2017, the Oceanport Municipal Complex which sold in August 2017, the Fitness Center which sold in September 2017, the Dance Hall which sold in April 2018, the Cell Tower Parcel which sold in October 2019, Squier Hall which was sold in December 2019, the Commissary & P/X, Warehouse District and Post Office which sold in October 2020, Barker Circle which sold in November 2021, the Lodging Area which sold in November 2021, the Eatontown Parks Parcel which sold in March 2022, Allison Hall which sold in May 2022, the Nurses Quarters Parcel which sold in June 2024 and the Phase 2 carve-outs discussed in Note 7. The remaining Phase 2 property was valued at cost which was \$17,348,038 and 18,128,459 as of December 31, 2024 and 2023, respectively.

NOTE 7 PREPAID ASSETS – FUTURE LAND CONVEYANCE

The Commissary and Squier Hall Parcels were Phase 2 carve-outs that were not transferred with the other Phase 2 property in November 2016; however, the purchase price ascribed to these parcels was part of the \$33,000,000 paid to the Army for the purchase of the Phase 2 property. As a result, the costs of these parcels were recorded as prepaid assets. The Army will not convey title to these parcels until all environmental remediation has occurred. A portion of the Squier Hall property was conveyed to the Authority in December 2017 and another portion in January 2019. The Commissary was conveyed to the Authority in October 2020. The costs of these parcels recorded as prepaid assets was \$108,896 as of December 31, 2024 and 2023.

NOTE 8 DEPOSITS – PROPERTY SALES

At December 31, 2024, the Authority held deposits aggregating \$8,658,500 for the initial payments under purchase and sale agreements for Howard Commons, the Tinton Falls Commercial Parcel and the Mega Parcel.

At December 31, 2023, the Authority held deposits aggregating \$8,766,269 for the initial payments under purchase and sale agreements for the Fabrication Shops, Howard Commons, the Tinton Falls Commercial Parcel, the Nurses Quarters, and the Mega Parcel.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 9 LAND CONVEYANCE LIABILITIES

In accordance with the Economic Development Conveyance Agreement, at December 31, 2024 the Authority had the following obligations from the acquisition of the Phase 1 property which are payable at the time of a third-party settlement:

- a. Due to the United States Army Ranging from 60% to 63% of Gross Sales Revenues (as defined by the Agreement)
- b. Due to Fort Monmouth Homeless Fund \$20,055 per developable acre

Based on the above obligations, the Authority has recorded an aggregate of \$9,728,099 and \$10,255,741 of land conveyance liabilities due to the United States Army at December 31, 2024 and 2023, respectively. The Authority has also recorded an aggregate of \$2,841,675 and \$2,972,033 of land conveyance assets due to the Homeless Fund at December 31, 2024 and 2023, respectively. The land conveyance assets and liabilities recorded are estimates and are subject to change based on economic factors that were unknown at the time of conveyance. At the time of settlement on the sale of the Phase 1 parcels any changes to the estimated assets and liabilities are included in the Authority's gain or loss from property sales.

NOTE 10 DIRECT LOAN PAYABLE

The Authority obtained a direct loan in the amount of \$21,774,796 from the NJ Economic Development Authority to pay the principal on the notes due at the November 9, 2021 maturity date. The loan has an interest rate of 2% with a 60-month term. Monthly payments of interest will be due on the loan with all outstanding principal and interest due on October 1, 2026. The loan is secured by a mortgage on Phase 2 parcels that were not subject to sale agreements at the time of the loan closing plus an assignment of net proceeds on Phase 2 parcels that were under contract.

Direct Loan payable activity for the year ended December 31, 2024 was as follows:

December 31, 2023	Additions	Reductions	December 31, 2024	Amounts Due Within One Year
<u>\$ 15,231,579</u>	<u>\$ -</u>	<u>\$ (726,613)</u>	<u>\$ 14,504,966</u>	<u>\$ -</u>

Direct Loan payable activity for the year ended December 31, 2023 was as follows:

December 31, 2022	Additions	Reductions	December 31, 2023	Amounts Due Within One Year
<u>\$ 15,231,579</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,231,579</u>	<u>\$ -</u>

Interest payable on the loan at December 31, 2024 and 2023 was \$24,981 and 26,232, respectively.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 11 WORKING CAPITAL LOAN PAYABLE

The Authority obtained a working capital loan for up to \$5 million from the NJ Economic Development Authority for working capital purposes. The loan has an interest rate of 2.00% with a 60-month term and a 12-month draw period. Monthly payments of interest will be due on the loan with all outstanding principal and interest due on October 1, 2024. At their September 2024 Board meetings, the FMERA and NJEDA Boards authorized a six-month extension until April 1, 2025. The loan is secured by a mortgage on the Authority's interest on the Phase 1 parcels that were not subject to sale agreements at the time of the loan closing plus an assignment of net proceeds on Phase 1 parcels that were under contract.

At December 31, 2024 and 2023, the amount payable on the working capital loan was \$4,192,064 and \$4,213,389, respectively, and the interest payable was \$19,207 and \$26,464, respectively.

NOTE 12 DUE TO NJ ECONOMIC DEVELOPMENT AUTHORITY

The balances due to the NJ Economic Development Authority at December 31, 2024 and 2023 for direct office support were \$2,709,988 and \$1,311,610, respectively.

NOTE 13 ECONOMIC DEVELOPMENT CONVEYANCE (EDC) REVENUE AND EXPENDITURES

For the years ended December 31, 2024 and 2023, the Authority's EDC revenue was \$3,621,591 and \$1,407,869, respectively, and consisted of the following:

	2024	2023
Gain on Sale of Land	\$ 1,276,269	\$ -
Interest	230,421	199,320
Other	2,114,901	1,208,549
Total	<u>\$ 3,621,591</u>	<u>\$ 1,407,869</u>

For the years ended December 31, 2024 and 2023, the Authority's EDC expenditures were \$4,386,344 and \$4,038,322, respectively, and consisted of the following:

	2024	2023
Utility Construction	\$ 6,565	\$ -
Landscaping	78,614	43,840
Planning for/or the Marketing of the Property	4,301,165	3,994,482
Total	<u>\$ 4,386,344</u>	<u>\$ 4,038,322</u>

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 14 RISKS AND UNCERTAINTIES

Concentration of Revenue

Principally all of the Authority's operating revenues are from the conveyance and subsequent sale of property in conjunction with the Economic Development Conveyance Agreement (Phase 1 and Phase 2) dated June 25, 2012 and October 25, 2016, respectively, with the United States Army. The Authority's revenues are subject to the continued contract compliance and funding from these sources.

Economic Dependence

The Authority is economically dependent on the United States Army's compliance with the Economic Development Agreements and the continuing direct and indirect support by the state of New Jersey and Monmouth County through loans and loan guarantees.

NOTE 15 CONTINGENCIES AND COMMITMENTS

Obligations from Phase 1 Economic Development Conveyance Agreement

In conjunction with the Phase 1 EDC Agreement dated June 25, 2012, the Authority is obligated to:

1. Accept the conveyance of certain Phase 1 parcels totaling approximately 563 acres including buildings, improvements, and personal property.
2. Sell or lease such parcels to third parties under competitive sales and leasing covenants or no cost covenants as agreed upon per particular parcel.
3. At the time of third-party settlement, pay the United States Army 20% to 80% of Gross Sales Revenue, as defined, as agreed upon per particular Phase 1 parcel.
4. At the time of third-party settlement, contribute \$20,055 for each developable acre sold to the Fort Monmouth Homeless Fund.
5. In the case of pre-conveyance leasing and post conveyance leasing, as allowed, pay the United States Army 20% of the Gross Lease revenues, as defined, for the first three years of the lease and 63% of Gross Lease Revenues thereafter until such properties are sold to third-party buyers.
6. Reinvest the third-party sale and lease proceeds net of the immediate obligations to the United States Army and the Fort Monmouth Homeless Fund to support the economic redevelopment of the former Fort Monmouth in 12 allowable expense categories as mandated in the Base Realignment and Closure Act (BRAC) within a seven-year reinvestment period beginning on the date of the last United States Army conveyance or remit proceeds not used for these purposes to the United States Army within 60 days after the seven-year reinvestment period.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 15 CONTINGENCIES AND COMMITMENTS (CONTINUED)

Obligations from First Amendment to Phase 1 Economic Development Conveyance Agreement

Pursuant to the First Amendment to the Phase 1 EDC Agreement dated October 25, 2016:

1. The Authority is obligated to provide the Army all net sales proceeds (\$527,825) from the sale of the Fabrication Shops parcel.
2. The Authority may convey the 38-acre Myer Center parcel, also known as Parcel F-1, to the NJ Economic Development Authority at no cost, and if so conveyed, no consideration will be due the Army.
3. The Authority is authorized to use proceeds from the sale, lease or use of the Phase 1 property to service bonds related to the Phase 2 parcels, as set forth in the October 25, 2016 Phase 2 EDC Agreement.

Obligations from Second Amendment to Phase 1 Economic Development Conveyance Agreement

Pursuant to the Second Amendment to the Phase 1 EDC Agreement dated March 10, 2021:

1. The Authority may transfer title for 60 acres of the Howard Commons Parcel for a final purchase price of \$1.5 million, which shall be allocated at Third Party Settlement as follows: a contribution shall be made to the Authority's Homeless Trust, the Army shall receive 63% of the Gross Sales Revenues and the Authority shall receive 37% of the Gross Sales Revenues.
2. The Authority may convey an approximately 3.945 acre parcel, known as the New Jersey American Water Parcel (formerly part of the Howard Commons Parcel) at no cost, other than a contribution to the Authority's Homeless Trust, for the construction of a water tank and water main extension to service the surrounding area.

Obligations from Phase 2 Economic Development Conveyance Agreement

In conjunction with the Phase 2 EDC Agreement dated October 25, 2016, the Authority is obligated to:

1. Accept conveyance of certain Phase 2 parcels totaling approximately 563 acres including buildings, improvements, and personal property.
2. At settlement of the Phase 2 property, pay the Army \$33,000,000 (The Authority subsequently purchased the Phase 2 property on November 17, 2016.).
3. At the time of third-party settlement, contribute \$20,055 for each developable acre sold to the Fort Monmouth Homeless Fund.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 15 CONTINGENCIES AND COMMITMENTS (CONTINUED)

**Obligations from Phase 2 Economic Development Conveyance Agreement
(Continued)**

4. Reinvest the third-party sale and lease proceeds net of the immediate obligations to the United States Army and the Fort Monmouth Homeless Fund to support the economic redevelopment of the former Fort Monmouth in 12 allowable expense categories as mandated in the Base Realignment and Closure Act (BRAC) within a seven-year reinvestment period beginning on the date of the last United States Army conveyance or remit proceeds not used for these purposes to the United States Army within 60 days after the seven-year reinvestment period.

NOTE 16 NET POSITION

The Authority's net position is characterized as follows:

- Investment in Capital Assets
- Restricted
- Unrestricted

Investment in Capital Assets includes capital assets net of accumulated depreciation used in the Authority's operations. Restricted net position includes net assets that are restricted subject to existence of Economic Development Conveyance reinvestment restrictions, this includes cash, and the Homeless Fund share of land conveyance. Unrestricted net position includes all net assets not included above.

NOTE 17 SUBSEQUENT EVENTS

Sale of the County Woodlands Right of Way Parcel

In February 2025, the Authority closed on Phase 1 – the County Woodlands Right of Way Parcel per the terms of the purchase and sale and redevelopment agreement for \$1,783. Proceeds were distributed as follows: (1) \$1,123 to the Department of the Army, (2) NJEDA Working Capital Loan payment of \$330 and (3) \$330 to the Authority.

Working Capital Loan Maturity Date Extension

The Working Capital Loan from the NJEDA was to expire on April 1, 2025. Subsequently, FMERA and the NJEDA, under delegated authority, executed and an additional six-month extension to October 1, 2025.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Economic Development Conveyance	Federal Grant	State Appropriation	Other	Homeless Fund	Eliminations	Total
ASSETS							
CURRENT ASSETS							
Unrestricted Assets:							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 329,888	\$ -	\$ -	\$ 329,888
Other Receivables	1,285,474	-	-	-	204,561	-	1,490,035
Interfund Receivable	-	-	-	57,609	-	(57,609)	-
Land - Held for Resale	33,837,135	-	-	-	2,841,675	-	36,678,810
Prepaid Assets - Future Land Conveyance	108,896	-	-	-	-	-	108,896
Prepaid Expenses	175,929	-	-	-	-	-	175,929
Total Unrestricted Current Assets	35,407,434	-	-	387,497	3,046,236	(57,609)	38,783,558
Restricted Assets:							
Cash - Economic Development Conveyance	4,982,586	-	-	-	-	-	4,982,586
Cash - Homeless Fund	-	-	-	-	2,260,825	-	2,260,825
Cash - State Funds	-	-	23,077,087	-	-	-	23,077,087
Sales	8,658,500	-	-	-	-	-	8,658,500
Total Restricted Assets	13,641,086	-	23,077,087	-	2,260,825	-	38,978,998
NONCURRENT ASSETS							
Capital Assets, Net	14,622	-	-	-	-	-	14,622
Total Noncurrent Assets	14,622	-	-	-	-	-	14,622
Total Assets	<u>\$ 49,063,142</u>	<u>\$ -</u>	<u>\$ 23,077,087</u>	<u>\$ 387,497</u>	<u>\$ 5,307,061</u>	<u>\$ (57,609)</u>	<u>\$ 77,777,178</u>
LIABILITIES AND NET POSITION							
CURRENT LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ 398,766	\$ -	\$ 81,015	\$ 52,258	\$ -	\$ -	\$ 532,039
Interfund Payable	57,609	-	-	-	-	(57,609)	-
Deposits - Property Sales	8,658,500	-	-	-	-	-	8,658,500
Land Conveyance Liabilities	9,728,099	-	-	-	-	-	9,728,099
Interest Payable	44,188	-	-	-	-	-	44,188
Working Capital Loan Payable	4,192,064	-	-	-	-	-	4,192,064
Due to NJ Economic Development Authority	2,709,988	-	-	-	-	-	2,709,988
Total Current Liabilities	25,789,214	-	81,015	52,258	-	(57,609)	25,864,878
NONCURRENT LIABILITIES							
Direct Loan Payable	14,504,966	-	-	-	-	-	14,504,966
Total Noncurrent Liabilities	14,504,966	-	-	-	-	-	14,504,966
Total Liabilities	40,294,180	-	81,015	52,258	-	(57,609)	40,369,844
NET POSITION							
Investment in Capital Assets	14,622	-	-	-	-	-	14,622
Restricted	4,982,586	-	23,077,087	-	5,307,061	-	33,366,734
Unrestricted	3,771,754	-	(81,015)	335,239	-	-	4,025,978
Total Net Position	<u>8,768,962</u>	<u>-</u>	<u>22,996,072</u>	<u>335,239</u>	<u>5,307,061</u>	<u>-</u>	<u>37,407,334</u>
Total Liabilities and Net Position	<u>\$ 49,063,142</u>	<u>\$ -</u>	<u>\$ 23,077,087</u>	<u>\$ 387,497</u>	<u>\$ 5,307,061</u>	<u>\$ (57,609)</u>	<u>\$ 77,777,178</u>

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	OEA Grant and Matching	Economic Development Conveyance	Federal Grant	State Appropriation	Other	Homeless Fund	Eliminations	Total
ASSETS								
CURRENT ASSETS								
Unrestricted Assets:								
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 329,888	\$ -	\$ -	\$ 329,888
Other Receivables	-	310,081	162,500	-	-	-	-	472,581
Interfund Receivable	-	-	-	-	57,609	-	(57,609)	-
Land - Held for Resale	-	35,187,197	-	-	-	2,972,034	-	38,159,231
Prepaid Assets - Future Land Conveyance	-	108,896	-	-	-	-	-	108,896
Prepaid Expenses	-	181,561	-	-	-	-	-	181,561
Total Unrestricted Current Assets	-	35,787,735	162,500	-	387,497	2,972,034	(57,609)	39,252,157
Restricted Assets:								
Cash - Economic Development Conveyance	-	4,274,767	-	-	-	-	-	4,274,767
Cash - Homeless Fund	-	-	-	-	-	2,109,485	-	2,109,485
Cash - Federal Funds	-	-	207,242	-	-	-	-	207,242
Cash - State Funds	-	-	-	9,669,229	-	-	-	9,669,229
Escrow Deposit - Property Sales	-	8,766,269	-	-	-	-	-	8,766,269
Total Restricted Assets	-	13,041,036	207,242	9,669,229	-	2,109,485	-	25,026,992
NONCURRENT ASSETS								
Other Receivables	-	971,579	-	-	-	204,561	-	1,176,140
Capital Assets, Net	-	23,022	-	-	-	-	-	23,022
Total Noncurrent Assets	-	994,601	-	-	-	204,561	-	1,199,162
Total Assets	<u>\$ -</u>	<u>\$ 49,823,372</u>	<u>\$ 369,742</u>	<u>\$ 9,669,229</u>	<u>\$ 387,497</u>	<u>\$ 5,286,080</u>	<u>\$ (57,609)</u>	<u>\$ 65,478,311</u>
LIABILITIES AND NET POSITION								
CURRENT LIABILITIES								
Accounts Payable and Accrued Liabilities	\$ -	\$ 392,364	\$ -	\$ 70,231	\$ 59,716	\$ -	\$ -	\$ 522,311
Interfund Payable	-	57,609	-	-	-	-	(57,609)	-
Deposits - Property Sales	-	8,766,269	-	-	-	-	-	8,766,269
Land Conveyance Liabilities	-	10,255,741	-	-	-	-	-	10,255,741
Interest Payable	-	52,696	-	-	-	-	-	52,696
Working Capital Loan Payable	-	4,213,389	-	-	-	-	-	4,213,389
Unearned Revenue	-	-	365,684	-	-	-	-	365,684
Due to NJ Economic Development Authority	-	1,311,610	-	-	-	-	-	1,311,610
Total Current Liabilities	-	25,049,678	365,684	70,231	59,716	-	(57,609)	25,487,700
NONCURRENT LIABILITIES								
Direct Loan Payable	-	15,231,579	-	-	-	-	-	15,231,579
Total Noncurrent Liabilities	-	15,231,579	-	-	-	-	-	15,231,579
Total Liabilities	-	40,281,257	365,684	70,231	59,716	-	(57,609)	40,719,279
NET POSITION								
Investment in Capital Assets	-	23,022	-	-	-	-	-	23,022
Restricted	-	4,274,767	(158,442)	9,669,229	-	5,286,080	-	19,071,634
Unrestricted	-	5,244,326	162,500	(70,231)	327,781	-	-	5,664,376
Total Net Position	-	9,542,115	4,058	9,598,998	327,781	5,286,080	-	24,759,032
Total Liabilities and Net Position	<u>\$ -</u>	<u>\$ 49,823,372</u>	<u>\$ 369,742</u>	<u>\$ 9,669,229</u>	<u>\$ 387,497</u>	<u>\$ 5,286,080</u>	<u>\$ (57,609)</u>	<u>\$ 65,478,311</u>

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Economic Development Conveyance	Federal Grant	State Appropriation	Other	Homeless Fund	Total
OPERATING REVENUES						
Federal Grants	\$ -	\$ 870,682	\$ -	\$ -	\$ -	\$ 870,682
Gain on Sale of Land	1,276,269	-	-	-	73,961	1,350,230
Other	2,114,901	-	-	-	-	2,114,901
Total Operating Revenues	3,391,170	870,682	-	-	73,961	4,335,813
OPERATING EXPENSES						
Direct Office Support	1,398,377	-	-	(7,458)	-	1,390,919
General and Administrative	177,230	-	-	-	-	177,230
Homeless Fund	-	-	-	-	84,550	84,550
Program Costs	2,429,040	876,785	6,602,926	-	-	9,908,751
Interest Expense on Loan Payable	380,697	-	-	-	-	380,697
Working Capital Loan Fees	1,000	-	-	-	-	1,000
Depreciation	8,400	-	-	-	-	8,400
Total Operating Expenses	4,394,744	876,785	6,602,926	(7,458)	84,550	11,951,547
OPERATING GAIN (LOSS)	(1,003,574)	(6,103)	(6,602,926)	7,458	(10,589)	(7,615,734)
NONOPERATING REVENUE						
State Appropriation	-	-	20,000,000	-	-	20,000,000
Interest Income	230,421	2,045	-	-	31,570	264,036
Other	-	-	-	-	-	-
Total Nonoperating Revenue	230,421	2,045	20,000,000	-	31,570	20,264,036
CHANGE IN NET POSITION	(773,153)	(4,058)	13,397,074	7,458	20,981	12,648,302
Net Position - Beginning of Year	9,542,115	4,058	9,598,998	327,781	5,286,080	24,759,032
NET POSITION - END OF YEAR	<u>\$ 8,768,962</u>	<u>\$ -</u>	<u>\$ 22,996,072</u>	<u>\$ 335,239</u>	<u>\$ 5,307,061</u>	<u>\$ 37,407,334</u>

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	OEA Grant and Matching	Economic Development Conveyance	Federal Grant	State Appropriation	Other	Homeless Fund	Total
OPERATING REVENUES							
Federal Grants	\$ -	\$ -	\$ 95,500	\$ -	\$ -	\$ -	\$ 95,500
Other	-	1,207,427	-	-	-	-	1,207,427
Total Operating Revenues	-	1,207,427	95,500	-	-	-	1,302,927
OPERATING EXPENSES							
Direct Office Support	-	1,311,611	-	-	11,383	-	1,322,994
General and Administrative	-	191,206	-	-	-	-	191,206
Homeless Fund	-	-	-	-	-	225,931	225,931
Program Costs	-	2,141,204	95,500	8,980,891	-	-	11,217,595
Interest Expense on Loan Payable	-	394,301	-	-	-	-	394,301
Depreciation	22,065	30,613	-	-	-	-	52,678
Total Operating Expenses	22,065	4,068,935	95,500	8,980,891	11,383	225,931	13,404,705
OPERATING LOSS	(22,065)	(2,861,508)	-	(8,980,891)	(11,383)	(225,931)	(12,101,778)
NONOPERATING REVENUE							
State Appropriation	-	-	-	10,000,000	-	-	10,000,000
Interest Income	-	199,320	818	-	-	28,830	228,968
Other	-	1,122	-	-	-	-	1,122
Total Nonoperating Revenue	-	200,442	818	10,000,000	-	28,830	10,230,090
CHANGE IN NET POSITION	(22,065)	(2,661,066)	818	1,019,109	(11,383)	(197,101)	(1,871,688)
Net Position - Beginning of Year	22,065	12,203,181	3,240	8,579,889	339,164	5,483,181	26,630,720
NET POSITION - END OF YEAR	\$ -	\$ 9,542,115	\$ 4,058	\$ 9,598,998	\$ 327,781	\$ 5,286,080	\$ 24,759,032

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES BY FUND
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>Economic Development Conveyance</u>
Equipment	\$ 10,392
Insurance	61,298
Office Maintenance and Utilities	70,683
Legal Notices	598
Office Supplies and Postage	17,438
Communication	8,456
Travel	6,065
Marketing	<u>2,300</u>
Total	<u><u>\$ 177,230</u></u>

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Treasury:				
Passed-through The New Jersey Department of Community Affairs:				
COVID-19 - American Rescue Plan Act - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	<u>\$ 876,786</u>	<u>\$ 876,786</u>
Total U.S. Department of Treasury			<u>876,786</u>	<u>876,786</u>
Total Expenditures of Federal Awards			<u><u>\$ 876,786</u></u>	<u><u>\$ 876,786</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2024**

NOTE 1 BASIS OF PRESENTATION

The information in these schedules is presented in accordance with the requirements of 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. For the purposes of these schedules, federal awards include any assistance provided by a federal agency directly or indirectly in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, direct appropriations, and other noncash assistance. Because these schedules present only a selected portion of the activities of the Authority, it is not intended to, and does not, present the financial position, changes in net position, and other changes of the Authority in conformity with accounting principles generally accepted in the United States of America. The accounting practices followed by the Authority in preparing the accompanying schedules are as follows: Expenditures for direct costs are recognized as incurred using the accrual method of accounting contained in the U.S. Office of Management and Budget (OMB) *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance for Federal Awards). Under the Uniform Guidance for Federal Awards, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 INDIRECT COST RATE

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



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

Audit Committee and Management
Fort Monmouth Economic Revitalization Authority
Oceanport, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAP) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Fort Monmouth Economic Revitalization Authority, a component unit of the state of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Fort Monmouth Economic Revitalization Authority's basic financial statements, and have issued our report thereon dated May 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fort Monmouth Economic Revitalization Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fort Monmouth Economic Revitalization Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Fort Monmouth Economic Revitalization Authority's internal control.

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

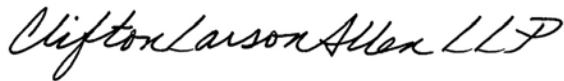
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fort Monmouth Economic Revitalization Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
May 28, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Audit Committee and Management
Fort Monmouth Economic Revitalization Authority
Oceanport, New Jersey

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Fort Monmouth Economic Revitalization Authority's (the Authority), a component unit of the state of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2024. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

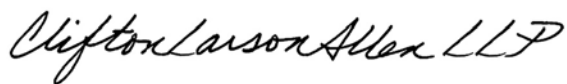
Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
May 28, 2025

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number

21.027

Name of Federal Program or Cluster

COVID-19, Coronavirus State and Local Fiscal Recovery Fund Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,0000

Auditee qualified as low-risk auditee?

_____ yes x no

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
(A COMPONENT OF THE STATE OF NEW JERSEY)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.