

*WASHINGTON TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY*

REPORT OF AUDIT

*WITH
SUPPLEMENTARY INFORMATION*

*FOR THE FISCAL YEARS ENDED
JANUARY 31, 2024 and 2023*

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
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WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Roster of Officials
As of January 31, 2024

MEMBERS

Rich Silvesti
Harry Adams
Matt Gorman
Dawn Passante
Scott Behm
Angela Melroy
Robert Finnegan

POSITION

Chairman
Vice-Chairman
Secretary/Treasurer
Member
Member
Alternate Member
Alternate Member

OFFICERS

Elizabeth Rogale
Matthew Walker

Executive Director/
Chief Financial Officer
Assistant Superintendent

CONSULTANTS

Marmero Law, LLC
Remington & Vernick Engineers
TD Bank
Malamut & Associates, LLC

Authority Solicitor
Engineer
Trustee
Bond Counsel

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

PART I

FINANCIAL SECTION

FOR THE FISCAL YEARS ENDED JANUARY 31, 2024 AND 2023

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of the
Washington Township Municipal Utilities Authority
Turnersville, 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 Washington Township Municipal Utilities Authority, in the County of Gloucester, State of New Jersey, a component unit of the Township of Washington (Authority), as of and for the fiscal years ended January 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Washington Township Municipal Utilities Authority, in the County of Gloucester, State of New Jersey, a component unit of the Township of Washington, as of January 31, 2024 and 2023, and the changes in its financial position and its cash flows thereof for the fiscal 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Washington Township Municipal Utilities Authority, in the County of Gloucester, State of New Jersey, a component unit of the Township of Washington, 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 opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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, schedule of changes in the Authority's total OPEB liability and related ratios, schedule of the Authority's proportionate share of the net OPEB liability, schedule of the Authority's OPEB contributions, schedule of the Authority's proportionate share of the net pension liability, and schedule of the Authority's pension contributions 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 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.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
February 12, 2025

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

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of the
Washington Township Municipal Utilities Authority
Turnersville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Washington Township Municipal Utilities Authority, in the County of Gloucester, State of New Jersey, a component unit of the Township of Washington, (Authority), as of and for the fiscal year ended January 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 12, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
February 12, 2025

**Washington Township Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended January 31, 2024 and 2023
(Unaudited)**

The Washington Township Municipal Utilities Authority (the Authority) is a public agency providing potable water and wastewater services to Washington Township. This section of the Authority's annual financial report provides a discussion and analysis of the financial performance for fiscal year ending on January 31, 2024 and 2023. The entire annual financial report consists of five parts; Independent Auditor's Report, the management's discussion and analysis (this section), the basic financial statements, required supplementary information and supplementary schedules.

FINANCIAL HIGHLIGHTS

Management believes the financial position of the Authority is very stable. The 1991 Bond Resolution requires the Authority to have a ratio of net revenues to debt service of 115%. The Authority met this requirement by generating 271% in coverage for fiscal year 2024 and 181% in fiscal year 2023.

Key financial highlights for the Authority's fiscal year 2024 are as follows:

- **Net Position:** Total assets at the end of fiscal year 2024 were \$69,453,291.41. After deducting liabilities of \$26,381,927.93 and adjusting for deferred inflows of \$9,242,251.13 and deferred outflows of resources of \$3,937,212.12, the resulting net position is equal to \$37,766,324.47.
- **Total Operating Revenue:** Fiscal year 2024 revenues totaling \$12,882,620.93 increased by \$272,692.72 from the prior fiscal year's amount of \$12,609,928.21 which is primarily attributable to an increase in service charges in fiscal year 2024.
- **Total Operating Expenses:** Fiscal year 2024 operating expenses totaling \$12,193,854.40 increased by \$603,813.92 from the prior fiscal year's amount of \$11,590,040.48 which is primarily the result of an increase in cost of providing services and an increase in major repairs and other expenses.
- **Operating Income:** In fiscal year 2024, the Authority generated \$688,766.53 in operating income. This was a decrease of \$331,121.20 from the prior year's operating income of \$1,019,887.73.
- **Change in Net Position, Before Capital Contributions:** In fiscal year 2024, the Authority generated \$1,387,343.97 in income before capital contributions. This was a decrease of \$256,201.93 from the prior year's operating income of \$1,643,545.90.
- **Change in Capital Contributions:** In fiscal year 2024, the Authority did not receive any capital contributions. In fiscal year 2023, the Authority received \$581,571.00 in capital contributions.
- **Change in Net Position:** Change in Net Position for fiscal year 2024 was \$1,387,343.97 representing a decrease of \$837,772.93 from the fiscal year 2023 amount of \$2,225,116.90.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The statements of net position include all of the Authority's assets, liabilities, and deferred outflows and inflows of resources. As the Authority follows the accrual method of accounting, the current year's revenues and expenses are accounted for in the statements of revenue, expenses and changes in net position regardless of when cash is received or paid. Net position, the difference between the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources is a measure of the Authority's financial health or position.

**Washington Township Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended January 31, 2024 and 2023
(Unaudited)**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

The statements of revenue, expenses and changes in net position provide a breakdown of the various areas of revenues and expenses encountered during the current year.

The statements of cash flows provide a breakdown of the various sources of cash, categorized into four areas: cash flows from operating activities, non-capital financing activities, capital and related financing activities and investing activities.

FINANCIAL ANALYSIS OF THE AUTHORITY

The Authority's total net position was \$37,766,324.47 as of January 31, 2024. Total assets, deferred outflows and inflows of resources, total liabilities and total net position are detailed below:

Statements of Net Position As of January 31, 2024, 2023 and 2022					
	<u>2024</u>	<u>2023</u>	<u>Restated 2022</u>	<u>Change from 2023 to 2024 Amount</u>	<u>Percentage</u>
Assets:					
Unrestricted Assets	\$ 19,639,465.23	\$ 23,454,736.17	\$ 22,491,005.68	\$ (3,815,270.94)	-16.27%
Restricted Assets	3,331,951.39	3,329,778.45	3,599,234.80	2,172.94	0.07%
Noncurrent Assets	<u>46,481,874.79</u>	<u>42,480,457.43</u>	<u>43,411,313.88</u>	<u>4,001,417.36</u>	9.42%
Total Assets	<u>69,453,291.41</u>	<u>69,264,972.05</u>	<u>69,501,554.36</u>	<u>188,319.36</u>	0.27%
Deferred Outflows of Resources	<u>3,937,212.12</u>	<u>2,805,351.49</u>	<u>2,582,534.08</u>	<u>1,131,860.63</u>	40.35%
Liabilities:					
Current Liabilities	3,927,621.40	3,153,817.58	3,558,920.40	773,803.82	24.54%
Long-term Liabilities	<u>22,454,306.53</u>	<u>23,063,162.56</u>	<u>24,857,542.04</u>	<u>(608,856.03)</u>	-2.64%
Total Liabilities	<u>26,381,927.93</u>	<u>26,216,980.14</u>	<u>28,416,462.44</u>	<u>164,947.79</u>	0.63%
Deferred Inflows of Resources	<u>9,242,251.13</u>	<u>9,474,362.90</u>	<u>9,513,762.40</u>	<u>(232,111.77)</u>	-2.45%
Net Position:					
Net Investment in Capital Assets	30,848,686.00	29,786,933.55	28,854,522.55	1,061,752.45	3.56%
Restricted	4,371,507.53	4,271,477.41	4,167,224.35	100,030.12	2.34%
Unrestricted (Deficit)	<u>2,546,130.94</u>	<u>2,320,569.54</u>	<u>1,132,116.70</u>	<u>225,561.40</u>	9.72%
Total Net Position	<u>\$ 37,766,324.47</u>	<u>\$ 36,378,980.50</u>	<u>\$ 34,153,863.60</u>	<u>\$ 1,387,343.97</u>	3.81%

**Washington Township Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended January 31, 2024 and 2023
(Unaudited)**

FINANCIAL ANALYSIS OF THE AUTHORITY (CONT'D)

The Authority realized operating income of \$688,766.53 for the fiscal year. Combined with net non-operating revenues of \$698,577.44; net position increased by \$1,387,343.97. Major components of this change along with a comparison of the previous two year's activity are shown below.

Statements of Revenue, Expenses and Changes in Net Position
For the Fiscal Years Ended January 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>Restated 2022</u>	<u>Change from 2023 to 2024</u> <u>Amount</u>	<u>Percentage</u>
Operating Revenues:					
Service Charges	\$12,559,754.37	\$12,258,021.46	\$11,918,627.41	\$ 301,732.91	2.46%
Connection Fees	108,650.00	186,980.75	338,650.00	(78,330.75)	-41.89%
Other Operating Revenues	214,216.56	164,926.00	125,948.11	49,290.56	29.89%
	<u>12,882,620.93</u>	<u>12,609,928.21</u>	<u>12,383,225.52</u>	<u>272,692.72</u>	<u>2.16%</u>
Operating Expenses:					
Administration:					
Salaries and Wages	692,496.72	688,287.06	662,803.24	4,209.66	0.61%
Fringe Benefits	544,117.97	466,515.98	452,217.74	77,601.99	16.63%
Other Expenses	485,187.44	432,719.83	363,033.44	52,467.61	12.13%
Total Administration	<u>1,721,802.13</u>	<u>1,587,522.87</u>	<u>1,478,054.42</u>	<u>134,279.26</u>	<u>8.46%</u>
Cost of Providing Services:					
Salaries and Wages	1,330,171.84	1,314,769.71	1,253,125.05	15,402.13	1.17%
Fringe Benefits	380,996.88	323,462.92	336,090.13	57,533.96	17.79%
Other Expenses	6,785,030.80	6,536,722.90	6,040,075.96	248,307.90	3.80%
Total Cost of Providing Services	<u>8,496,199.52</u>	<u>8,174,955.53</u>	<u>7,629,291.14</u>	<u>321,243.99</u>	<u>3.93%</u>
Major Repairs and Other Expenses	145,938.44	885.29	88,544.13	145,053.15	16384.82%
Depreciation	1,829,914.31	1,826,676.79	2,097,776.71	3,237.52	0.18%
Total Operating Expenses	<u>12,193,854.40</u>	<u>11,590,040.48</u>	<u>11,293,666.40</u>	<u>603,813.92</u>	<u>5.21%</u>
Operating Income	688,766.53	1,019,887.73	1,089,559.12	(331,121.20)	-32.47%
Non-operating Revenue (Expenses)	<u>698,577.44</u>	<u>623,658.17</u>	<u>179,099.16</u>	<u>74,919.27</u>	<u>12.01%</u>
Change in Net Position					
Before Contributions	1,387,343.97	1,643,545.90	1,268,658.28	(256,201.93)	-15.59%
Capital Contributions	-	581,571.00	137,350.00	(581,571.00)	-100.00%
Change in Net Position	<u>1,387,343.97</u>	<u>2,225,116.90</u>	<u>1,406,008.28</u>	<u>(837,772.93)</u>	<u>-37.65%</u>
Net Position February 1	<u>36,378,980.50</u>	<u>34,153,863.60</u>	<u>30,210,671.39</u>	<u>2,225,116.90</u>	<u>6.51%</u>
Restatements			2,537,183.93	-	---
Net Position February 1, As Restated			<u>32,747,855.32</u>	-	---
Net Position January 31	<u>\$37,766,324.47</u>	<u>\$36,378,980.50</u>	<u>\$34,153,863.60</u>	<u>\$ (837,772.93)</u>	<u>-2.30%</u>

**Washington Township Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended January 31, 2024 and 2023
(Unaudited)**

OVERALL ANALYSIS

The Authority's overall financial position remains positive. The Authority has not experienced any decrease in the overall mix of its residential, commercial, public, and industrial customer-billing base. The rate structure remains stable.

Overall, the Authority's financial position has increased in the current year. Net position is \$37,766,324.47. Unrestricted Net Position is a \$2,546,130.94. The makeup of the ratepayer base is well diversified. The residential and public sectors, the most stable when considering the volatility of a billing rate, comprise over 90% of the Authority's customers. There is no particular emphasis or imbalance in the type of business enterprises within the commercial sector. Industrial users, exist, but do not comprise a major portion of the Authority's billing base.

BUDGET VARIANCES

The budget for fiscal year 2024 was formulated in November 2022 and adopted within state guidelines. Following, is a narrative addressing the more significant budget line items, and how those budget line items compare to actual operating results for the current year.

Operating and non-operating revenue exceeded the anticipated amount for the water utility by \$1,158,860.69 and exceeded the anticipated amount for the sewer utility by \$822,595.19.

Operating, principal payments and non-operating expenditures had favorable budget variances in the amount of \$285,216.22 for the water utility and \$515,861.01 for the sewer utility.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

During fiscal year 2024, the Authority expended \$6,191,227.93 for capital improvements and completed and transferred \$1,618,264.14 worth of assets from construction in progress to capital assets where they will be depreciated.

In fiscal year 2024, the Authority did not receive any capital contributions from developers.

During fiscal year 2024, the Authority made Revenue Bond principal payments of \$725,000.00 and NJEIT Loan principal payments of \$318,363.24. See Schedules 5 and 6 for complete long-term debt activity.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide Washington Township's residents and our customers, clients, investors, and creditors, with a general overview of the Authority's finances. If you have any questions about this report or need additional financial information, contact the Executive Director, Washington Township Municipal Utilities Authority 152 Whitman Drive, Turnersville, New Jersey 08012.

BASIC FINANCIAL STATEMENTS

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Statements of Net Position
As of January 31, 2024 and 2023

	2024	2023
<u>ASSETS</u>		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 17,958,449.04	\$ 21,978,552.39
Consumer Accounts Receivable, Net of Allowance for Doubtful Accounts of \$98,620.61 for 2024 and \$9,076.38 for 2023	1,061,746.31	981,748.31
Leases Receivable - Current Portion	338,378.37	359,340.98
Meter Inventory	178,335.00	43,730.00
Prepaid Expenses	102,556.51	91,364.49
Total Unrestricted Assets	19,639,465.23	23,454,736.17
Restricted Assets:		
Cash and Cash Equivalents	3,331,951.39	3,329,778.45
Total Restricted Assets	3,331,951.39	3,329,778.45
Noncurrent Assets:		
Leases Receivable - Noncurrent Portion	4,992,641.70	5,785,943.98
Capital Assets:		
Completed (Net of Accumulated Depreciation)	35,559,703.66	35,771,353.83
Construction in Progress	5,929,529.43	923,159.62
	41,489,233.09	36,694,513.45
Total Noncurrent Assets	46,481,874.79	42,480,457.43
Total Assets	69,453,291.41	69,264,972.05
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Related to Pensions	592,619.00	896,683.00
Related to OPEB	3,344,593.12	1,908,668.49
	3,937,212.12	2,805,351.49

(Continued)

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Statements of Net Position
As of January 31, 2024 and 2023

	2024	2023
<u>LIABILITIES</u>		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable - Related to Operations	\$ 1,451,934.27	\$ 1,404,921.78
Accounts Payable - Related to Pensions	316,186.00	314,937.00
Accrued Liabilities	44,765.32	33,256.17
Compensated Absences - Current Portion	7,950.29	8,008.72
Developer's Escrow Deposits	277,283.50	144,190.03
Total Current Liabilities Payable from Unrestricted Assets	2,098,119.38	1,905,313.70
Current Liabilities Payable from Restricted Assets:		
Accounts Payable	382,388.67	45,087.51
Retained Percentage Due Contractors	96,104.86	-
Reserve for Arbitrage Rebate	138,304.60	-
NJEIT Loans Payable--Current Portion	319,288.26	318,363.24
Revenue Bonds Payable--Current Portion	750,000.00	725,000.00
Accrued Interest Payable	143,415.63	160,053.13
Total Current Liabilities Payable from Restricted Assets	1,829,502.02	1,248,503.88
Long-term Liabilities:		
Compensated Absences	163,403.19	171,576.70
Net OPEB Obligation	8,012,231.00	7,157,084.00
NJEIT Loans Payable	3,384,452.27	3,704,997.46
Revenue Bonds Payable	7,283,169.07	8,076,836.40
Net Pension Liability	3,426,609.00	3,768,955.00
Accrued Liabilities - Related to Pension	184,442.00	183,713.00
Total Long-term Liabilities	22,454,306.53	23,063,162.56
Total Liabilities	26,381,927.93	26,216,980.14
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Revenue	224,329.50	202,272.50
Deferred Gain on Refunding	161,869.83	171,119.54
Related to Leases	3,309,750.80	3,613,518.86
Related to Pensions	417,782.00	657,775.00
Related to OPEB	5,128,519.00	4,829,677.00
	9,242,251.13	9,474,362.90
<u>NET POSITION</u>		
Net Investment in Capital Assets	30,848,686.00	29,786,933.55
Restricted for:		
Bond Resolution Covenants	4,315,972.02	4,217,222.02
Unemployment Compensation	55,535.51	54,255.39
Unrestricted	2,546,130.94	2,320,569.54
Total Net Position	\$ 37,766,324.47	\$ 36,378,980.50

The accompanying Notes to Financial Statements are an integral part of these statements.

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Statements of Revenue, Expenses and Changes in Net Position

For the Fiscal Years Ended January 31, 2024 and 2023

	2024	2023
Operating Revenues:		
Utility Service Charges	\$ 12,559,754.37	\$ 12,262,019.94
Connection Fees	108,650.00	186,980.75
Other Operating Revenues	214,216.56	160,927.52
Total Operating Revenue	12,882,620.93	12,609,928.21
Operating Expenses:		
Administration:		
Salaries and Wages	692,496.72	688,287.06
Fringe Benefits	544,117.97	466,515.98
Other Expenses	485,187.44	432,719.83
Cost of Providing Service:		
Salaries and Wages	1,330,171.84	1,314,769.71
Fringe Benefits	380,996.88	323,462.92
Other Expenses	6,785,030.80	6,536,722.90
Major Repairs and Other Expenses	145,938.44	885.29
Depreciation	1,829,914.31	1,826,676.79
Total Operating Expenses	12,193,854.40	11,590,040.48
Operating Income	688,766.53	1,019,887.73
Non-operating Revenue (Expenses):		
Investment Income	858,825.70	321,742.14
Interest on Debt	(234,794.79)	(269,053.14)
Interlocal Service Agreement	10,000.00	25,583.33
Other Non-operating Revenues	24,883.20	24,883.20
Lease Revenue	323,139.84	311,621.04
Lease Interest	179,299.01	208,881.60
Loss on Leases Amended and Cancelled	(462,775.52)	-
Total Non-operating Revenue (Expenses)	698,577.44	623,658.17
Income Before Capital Contributions	1,387,343.97	1,643,545.90
Contributions of Capital	-	581,571.00
Change in Net Position	1,387,343.97	2,225,116.90
Net Position February 1	36,378,980.50	34,153,863.60
Net Position January 31	\$ 37,766,324.47	\$ 36,378,980.50

The accompanying Notes to Financial Statements are an integral part of these statements.

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Statements of Cash Flows

For the Fiscal Years Ended January 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Receipts from Customers and Users	\$ 12,610,463.37	\$ 12,738,581.33
Payments to Employees	(2,944,506.20)	(2,784,437.57)
Payments to Suppliers	(7,916,549.40)	(7,357,469.69)
Other Operating Receipts	336,624.03	157,129.73
Other Operating Disbursements	(145,938.44)	(885.29)
Net Cash Provided by Operating Activities	1,940,093.36	2,752,918.51
Cash Flows from Noncapital Financing Activities:		
Other Non-Operating Revenue	585,043.36	587,902.73
Cash Flows from Capital and Related Financing Activities:		
Construction In Progress	(6,191,227.93)	(740,234.49)
Bond and Loan Principal	(1,043,363.24)	(1,453,961.76)
Interest on Debt	(305,606.26)	(352,705.15)
Net Cash Used in Capital and Related Financing Activities	(7,540,197.43)	(2,546,901.40)
Cash Flows from Investing Activities:		
Investment Income	997,130.30	321,742.14
Net Increase in Cash and Cash Equivalents	(4,017,930.41)	1,115,661.98
Cash and Cash Equivalents, February 1	25,308,330.84	24,192,668.86
Cash and Cash Equivalents, January 31	\$ 21,290,400.43	\$ 25,308,330.84
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ 688,766.53	\$ 1,019,887.73
Adjustments to Reconcile Operating Income to Net Cash provided by Operating Activities:		
Depreciation Expense	1,829,914.31	1,826,676.79
Related to Pension	(276,297.00)	(341,440.00)
Related to Other Post Employment Benefits	(281,935.63)	(122,929.41)
Changes in Assets and Liabilities:		
Change in Accounts Receivable	(79,998.00)	419,598.44
Change in Prepaid Expenses	(11,192.02)	(8,546.22)
Change in Meter Inventory	(134,605.00)	41,122.00
Change in Accounts Payable	47,012.49	35,836.67
Change in Payroll Deductions Payable	11,509.15	24,856.32
Change in Deferred Revenue	22,057.00	(129,480.75)
Change in Accrued Liabilities	(8,231.94)	(16,258.22)
Change in Escrow Deposits	133,093.47	3,595.16
Total Adjustments	1,251,326.83	1,733,030.78
Net Cash Provided by Operating Activities	\$ 1,940,093.36	\$ 2,752,918.51

The accompanying Notes to Financial Statements are an integral part of these statements.

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Notes to Financial Statements

For the Fiscal Years Ended January 31, 2024 and 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Washington Township Municipal Utilities Authority (the "Authority") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Reporting Entity

The Authority is a public body corporate and politic of the State of New Jersey and was originally created by an ordinance adopted on April 4, 1962 by the governing body of the Township of Washington (the "Township"), pursuant to the Municipal and County Utilities Authorities Law.

The Authority was created for the purpose of constructing, maintaining and operating water supply and distribution and sewerage collection facilities for the relief of waters in, bordering or entering the areas within the territorial boundaries of the Township from pollution or threatened pollution and for the improvement of conditions affecting the public health.

The Authority currently provides water supply and sewerage collection service to all residences and businesses within the Township.

Component Unit

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Authority has no component units and is a component unit of the Township of Washington.

Basis of Presentation

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Presentation (Cont'd)**

The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

The transactions of the Authority are divided into two separate activities (water and sewer) within the enterprise fund type. Each activity is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflow of resources, net position, revenues and expenditures.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Water and sewer service charges are recognized as revenue when services are provided. Connection fees are collected in advance and, accordingly, the Authority defers these revenues until the municipality issues a release for certificate of occupancy and determines that water distribution and sewage collection services are being provided to the properties.

Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include grants, contributed capital, and donations. Revenue from grants, contributed capital, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Budgets and Budgetary Accounting

The Authority must adopt an annual budget in accordance with N.J.A.C. 5:31-2. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Authority's fiscal year. The governing body may amend the budget at any point during the fiscal year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Depreciation expense, bond premiums, deferred gain on defeasance and the annual required contribution for the Authority's pension and other postemployment benefits (OPEB) Plan are not included in the budget appropriations.

The legal level of budgetary control is established at the same level of detail shown on the Statement of Revenues, Expenses and Changes in Net Position. All budget transfers and amendments to those accounts must be approved by resolution of the Authority as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended. The Authority adopted an amending budget resolution during the fiscal year.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets and Budgetary Accounting (Cont'd)**

The Authority records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At fiscal year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles.

Cash, Cash Equivalents and Investments

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

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey governmental units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of the school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Authority has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Inventories

Inventory consists principally of water meters and is valued at cost. The Authority has determined that inventory at fiscal year-end for any chemicals for the treatment of water, sewerage and sludge are immaterial and are not recorded in the financial statements.

Prepaid Expenses

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond the applicable fiscal year end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Lease Receivable**

Lease receivables recorded on the statements of net position represents a contract that conveys control of the right to use the Authority's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

Capital Assets

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Capital assets are stated at historical cost or estimated historical cost. Donated capital assets are recorded at their fair market value as of the date received.

Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the capital asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Costs incurred during construction of an asset are recorded as construction in progress. In the fiscal year that the project is completed, these costs are transferred to Capital Assets - Completed. Interest costs incurred during construction are not capitalized into the cost of the asset.

Lease assets are measured on the statements of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Subscription assets are measured on the statements of net position at the amount of the initial measurement of the related subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs.

Expenditures are capitalized when they meet the following requirements:

- 1) Cost of \$5,000.00 or more
- 2) Useful life of more than one year
- 3) Asset is not affected by consumption

Amortization and Depreciation

Amortization on lease and subscription assets and depreciation on other capital assets is computed using the straight-line method over the shorter of the lease term or the following useful lives:

	<u>Years</u>
Land Improvements	20
Buildings	40
Machinery and Equipment	5-15
Infrastructure	40
Subscription Assets	5-10

Bond and Loan Premiums

Bond and loan premiums arising from the issuance of long-term debt (bonds and loans) are amortized over the life of the bonds, in a systematic and rational method, from the issue date to maturity as a component of interest expense. Bond and loan premiums are presented as an adjustment of the face amount on the bonds and loans.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows and Deferred Inflows of Resources**

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

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Authority is required to report the following as deferred outflows of resources and deferred inflows of resources: leases, gain on refunding of debt, connection and meter fees received prior to providing water and sewer services, defined benefit pension plans and postemployment benefit plans.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Authority and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenue is recorded as a liability until the revenue is measurable and the Authority is eligible to realize the assets as revenue.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan (the Plan) and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position**

In accordance with the provisions of GASB Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board *"Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments"*, the Authority has classified its net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation or amortization of intangible capital assets, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at fiscal year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component as the unspent amount.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets." This component includes net position that may be allocated for specific purposes by the Board.

Income Taxes

The Authority operates as defined by the Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from water treatment and sewer collection facilities (i.e., water and sewer rents and connection fees) and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts, interlocal service agreements, and tower lease agreements.

Operating expenses include expenses associated with the operation, maintenance and repair of the water treatment and sewer collection facilities and general administrative expenses. Non-operating expenses principally include expenses attributable to the Authority's interest on funded debt.

Accounting Estimates

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Policies****Recently Issued and Adopted Accounting Pronouncements**

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The adoption of this Statement had no impact on the Authority's financial statements.

Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The adoption of this Statement had no impact on the Authority's financial statements.

Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective immediately. The adoption of this Statement had no impact on the Authority's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as indicated below:

Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement will become effective for the Authority in the fiscal year ending January 31, 2025. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Authority in the fiscal year ending January 31, 2025. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Policies (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by requiring a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The Statement will become effective for the Authority in the fiscal year ending January 31, 2026.

Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This *Statement also addresses certain application issues*. That objective is achieved by improving the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The Statement will become effective for the Authority in the fiscal year ending January 31, 2027.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**Compliance with Finance Related Legal and Contractual Provisions**

Management of the Authority is unaware of any material violations of finance related legal and contractual provisions.

General Bond Resolution

The Authority is subject to the provisions and restrictions of the General Bond Resolution adopted July 23, 1991. All revenues shall be deposited and applied as provided in the 1991 Bond Resolution. A summary of the activities of each account created by the Bond Resolution is covered below.

Revenue Account - All money collected by the Authority for service charges or from any other source for operating, maintaining or repairing the system is deposited in this account. The Trustee shall make quarterly payments into the other accounts to satisfy bond resolution or operating requirements.

Operating Reserve Account - The Operating Reserve Account is considered part of the Operating Fund. Funds are set aside as a general reserve for operating expenses. The balance on deposit may not exceed 25% of the current year annual appropriation for operating expenses. The balance of restricted net position as of January 31, 2024 is \$2,975,350.00 and meets the requirements of Bond Resolution.

Operating Account - The Operating Account is considered part of the Operating Fund which receives transfers from the Operating Reserve Account for the payment of operating expenses.

Debt Service Account - The amount on deposit must be sufficient to enable the Trustee to withdraw amounts equal to interest due on bonds when such payments are required. The balance on January 31, 2024 meets the requirements of the Bond Resolution.

Debt Service Reserve Account - The amount of funds on deposit must be maintained at a level equal to the Maximum Debt Service to ensure funds are available for payment of Debt Service. At January 31, 2024, the balance in the debt service reserve account meets the requirements of the Bond Resolution.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**General Bond Resolution (Cont'd)**

Subordinated Debt Fund - The balance on deposit must be sufficient to enable the Trustee to withdraw amounts for payment of the principal or sinking fund installment of and interest of and interest on each issue of Subordinated Debt when such payments are required. As of January 31, 2024, no such balance was required.

Renewal and Replacement Account - These funds are maintained for reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements or maintenance items of a type not recurring annually. The balance of restricted net position as of January 31, 2024 is \$1,000,000.00 and meets the requirements of the Bond Resolution.

General Reserve Fund - All excess funds of the Authority are recorded in the General Reserve Fund. If the Authority is not in default in the payment of bond principal or interest and all fund requirements are satisfied, the Authority may use the excess funds for any lawful purpose.

Construction Fund - The Construction Fund is held by the Trustee and is used to pay the cost of the project and is pledged, pending application to such costs, for the security of the payment of principal and interest on the Water and Sewer Revenue Bonds.

Debt Service Coverage

Section 713 of the 1991 Bond Resolution requires a ratio of Net Revenues to Debt Service of 115%. Compliance with this covenant is calculated as follows:

	<u>2024</u>		<u>2023</u>
Net Revenues:			
Operating Income (Exhibit B)	\$ 688,766.53		\$ 1,019,887.73
Add:			
Non-operating Revenue	1,396,147.75		892,711.31
Major Repairs & Other Expenses	145,938.44		885.29
Depreciation Expense	1,829,914.31		1,826,676.79
Net OPEB Expense (Benefit)	(281,935.63)		(122,929.41)
Net Pension Expense	(276,297.00)		(341,440.00)
	<u>\$ 3,502,534.40</u>		<u>\$ 3,275,791.71</u>
Debt Service (Schedule 4)			
Interest Charges	\$ 305,606.26		\$ 352,705.15
Bond Principal	<u>1,043,363.24</u>		<u>1,453,961.76</u>
	<u>\$ 1,348,969.50</u>		<u>\$ 1,806,666.91</u>
Debt Service			
	<u>\$ 1,348,969.50</u>	260%	<u>\$ 3,275,791.71</u>
Net Revenues			<u>\$ 1,806,666.91</u>
Debt Service			

This ratio meets the required debt service coverage of 115% for the various Revenue Bonds.

Note 3: DETAIL NOTES - ASSETS**Cash and Cash Equivalents**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. Although the Authority does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Authority in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings or funds that may pass to the Authority relative to the happening of a future condition. If the Authority had any such funds, they would be shown as Uninsured and Uncollateralized in the schedule below.

As of January 31, 2024 and 2023, the Authority's bank balances were exposed to custodial credit risk as follows:

	January 31,	
	<u>2024</u>	<u>2023</u>
Insured by F.D.I.C. and GUDPA	\$ 1,349,552.85	\$ 1,669,764.01
Uninsured and Uncollateralized	1,998,815.10	23,688,664.96
	<u>\$ 3,348,367.95</u>	<u>\$ 25,358,428.97</u>

Service Fees

The following is a three-year comparison of service charge billings and collections for all types of accounts maintained by the Authority:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Billings</u>	<u>Total Collections</u>	<u>Percentage of Collections</u>
2024	\$ 981,748.31	\$ 12,559,754.37	\$ 12,567,523.79	92.81%
2023	1,400,809.70	12,262,019.94	12,685,252.99	92.84%
2022	1,313,167.63	11,918,627.41	12,056,980.59	91.12%

Accounts Receivable

Accounts receivable at January 31, 2024 and 2023 consisted water and sewer services. An allowance for doubtful accounts has been established for receivables which are not considered collectible in full within the next year.

Accounts receivable as of fiscal year end for the Authority are as follows:

	<u>Jan. 31, 2024</u>	<u>Jan. 31, 2023</u>
Water Service	\$ 936,241.04	\$ 914,379.53
Sewer Service	224,125.88	76,445.16
Less: Allowance for Doubtful Accounts	<u>(98,620.61)</u>	<u>(9,076.38)</u>
	<u>\$ 1,061,746.31</u>	<u>\$ 981,748.31</u>

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Leases Receivable**

The Authority is reporting leases receivable of \$5,331,020.07 and \$6,145,284.96 at January 31, 2024 and 2023, respectively.

The Authority reported lease revenue of \$323,139.84 and interest revenue of \$179,299.01 related to lease payments received during the fiscal year ended January 31, 2024.

The leases as of January 31, 2024. are summarized as follows:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Tower Leases	\$ 5,331,020.07	\$ 323,139.84	\$ 179,299.01

The Authority reported lease revenue of \$311,621.04 and interest revenue of \$208,881.60 related to lease payments received during the fiscal year ended January 31, 2023.

The leases as of January 31, 2023 are summarized as follows:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Tower Leases	\$ 6,145,284.96	\$ 311,621.04	\$ 208,881.60

Cell Tower Leases

On April 15, 2002, the Authority entered into a five-year lease agreement with 4 five-year extensions plus a four-year, eleven-month extension term with Cingular/AT&T – 449 Woodbury-Turnersville Road for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.22%. Based on this agreement, the Authority expects to receive payments through March 14, 2032.

On October 1, 2002, the Authority entered into a five-year lease agreement with 4 five-year extensions plus a four-year, eleven-month extension term with Cingular/AT&T – 205 Fries Mill Road for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.22%. Based on this agreement, the Authority expects to receive payments through August 30, 2032.

On October 1, 2002, the Authority entered into a five-year lease agreement with 4 five-year extensions plus a four-year, eleven-month extension term with Cingular/AT&T – 119 Egg Harbor Road for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.22%. Based on this agreement, the Authority expects to receive payments through August 30, 2032.

On November 1, 2014, the Authority entered into a five-year lease agreement with an option to renew every five years for a new five-year term with AT&T – 425 Egg Harbor Road (High School) for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.00%. Based on this agreement, the Authority expects to receive payments through October 31, 2029.

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Leases Receivable (Cont'd)****Cell Tower Leases (Cont'd)**

On October 1, 2005, the Authority entered into a five-year lease agreement with 4 five-year extensions with Sprint – 425 Egg Harbor Road (High School) for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.50%. Based on this agreement, the Authority previously expected to receive payments through September 30, 2030. The agreement, however, was terminated in August 2023. A loss in the amount \$109,164.16 was realized due to the termination of this lease.

On October 1, 2005, the Authority entered into a five-year lease agreement with 4 five-year extensions with Sprint – Bryant Road for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.50%. Based on this agreement, the Authority previously expected to receive payments through September 30, 2030. The agreement, however, was terminated in August 2023. A loss in the amount \$109,164.16 was realized due to the termination of this lease.

On September 1, 2007, the Authority entered into a fifteen-year lease agreement with 1 five-year extension with T-Mobile – Fries Mill Road for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.50%. Based on this agreement, the Authority expects to receive payments through August 31, 2037.

On January 24, 1998, the Authority entered into a ten-year lease agreement with 3 five-year extensions with T-Mobile – 250 Chatham Road (Canal Street) for the lease of space on the Authority's Water Tower. An amendment was made in 2015 to renew the lease for an additional five years with 1 five-year extension option. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.00%. Based on this agreement, the Authority expects to receive payments through January 23, 2033. A loss in the amount of \$244,447.20 was realized due to this lease amendment.

On December 1, 2001, the Authority entered into a five-year lease agreement with 4 five-year extensions plus a four-year, eleven-month extension term with T-Mobile – Route 555 for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.22%. Based on this agreement, the Authority expects to receive payments through October 31, 2031.

On September 15, 2003, the Authority entered into a five-year lease agreement with 4 five-year extensions plus a four-year, eleven-month extension term with T-Mobile – 425 Egg Harbor Road (High School) for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.22%. Based on this agreement, the Authority expects to receive payments through August 14, 2033.

On December 1, 2009, the Authority entered into a fifteen-year lease agreement with 3 five-year extensions with T-Mobile – Bryant Road for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.02%. Based on this agreement, the Authority expects to receive payments through November 30, 2039.

On December 1, 2012, the Authority entered into a five-year lease agreement with 4 five-year extensions with Verizon – Hurfville Crosskeys (High School) for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.00%. Based on this agreement, the Authority expects to receive payments through November 30, 2037.

On December 1, 2014, the Authority entered into a five-year lease agreement with 4 five-year extensions with Verizon – Route 555 for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.00%. Based on this agreement, the Authority expects to receive payments through November 30, 2039.

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Leases Receivable (Cont'd)****Cell Tower Leases (Cont'd)**

On April 1, 2014, the Authority entered into a five-year lease agreement with 4 five-year extensions with Verizon – Woodbury Turnersville Road for the lease of space on the Authority's Water Tower. The implied interest rate is based on the Authority's estimated incremental borrowing rate of 3.00%. Based on this agreement, the Authority expects to receive payments through March 31, 2039.

Capital Assets

During the fiscal year ended January 31, 2024, the following changes in Capital Assets occurred:

	<u>Balance Feb. 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance Jan. 31, 2024</u>
Capital Assets not being Depreciated:					
Construction in Progress	\$ 923,159.62	\$ 6,767,848.46	\$ 143,214.51	\$(1,618,264.14)	\$ 5,929,529.43
Total Capital Assets not being Depreciated	923,159.62	6,767,848.46	143,214.51	(1,618,264.14)	5,929,529.43
Capital Assets being Depreciated:					
Land Improvements	1,421,257.43				1,421,257.43
Buildings	3,156,816.45				3,156,816.45
Machinery and Equipment	6,905,112.16			184,768.53	7,089,880.69
Infrastructure	79,101,779.62			1,433,495.61	80,535,275.23
Total Capital Assets being Depreciated	90,584,965.66	-	-	1,618,264.14	92,203,229.80
Total Capital Assets	91,508,125.28	6,767,848.46	143,214.51	-	98,132,759.23
Less:					
Accumulated Depreciation:					
Land Improvements	933,662.88	25,662.87			959,325.75
Buildings	1,445,269.91	105,819.71			1,551,089.62
Machinery and Equipment	3,843,425.68	259,809.97			4,103,235.65
Infrastructure	48,591,253.36	1,438,621.76			50,029,875.12
Total Accumulated Depreciation	54,813,611.83	1,829,914.31	-	-	56,643,526.14
Capital Assets, Net	\$ 36,694,513.45	\$ 4,937,934.15	\$ 143,214.51	\$ -	\$ 41,489,233.09

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Capital Assets (Cont'd)**

During the fiscal year ended January 31, 2023, the following changes in Capital Assets occurred:

	<u>Balance</u> <u>Feb. 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>Jan. 31, 2023</u>
Capital Assets not being Depreciated:					
Construction in Progress	\$ 746,120.95	\$ 546,230.55	\$ 100.40	\$ (369,091.48)	\$ 923,159.62
Total Capital Assets not being Depreciated	746,120.95	546,230.55	100.40	(369,091.48)	923,159.62
Capital Assets being Depreciated:					
Land Improvements	1,421,257.43				1,421,257.43
Buildings	3,156,816.45				3,156,816.45
Machinery and Equipment	6,792,903.46	11,087.70		101,121.00	6,905,112.16
Infrastructure	78,135,865.67	697,943.47		267,970.48	79,101,779.62
Total Capital Assets being Depreciated	89,506,843.01	709,031.17	-	369,091.48	90,584,965.66
Total Capital Assets	90,252,963.96	1,255,261.72	100.40	-	91,508,125.28
Less:					
Accumulated Depreciation:					
Land Improvements	907,998.66	25,664.22			933,662.88
Buildings	1,340,073.33	105,196.58			1,445,269.91
Machinery and Equipment	3,571,553.30	271,872.38			3,843,425.68
Infrastructure	47,167,309.75	1,423,943.61			48,591,253.36
Total Accumulated Depreciation	52,986,935.04	1,826,676.79	-	-	54,813,611.83
Capital Assets, Net	\$ 37,266,028.92	\$ (571,415.07)	\$ 100.40	\$ 369,091.48	\$ 36,694,513.45

Note 4: DETAIL NOTES – DEFERRED OUTFLOWS OF RESOURCES**Deferred Loss of Defeasance of Debt**

In fiscal year ending January 31, 2022, the Authority refunded \$1,505,000.00 of the 2006A Series Bonds and \$2,625,000.00 of the 2011 Series Bonds. The Authority issued \$2,820,000.00 Utility System Revenue Refunding Bonds 2021 Series B which was used to provide resources, together with other available funds held by the Trustee in the debt service funds, to be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liabilities have been removed from the financial statements.

The current refunding resulted in a difference between the reacquisition price and the next carrying amount of the old debt of \$184,994.13. This difference, reported in the accompanying financial statements as a deferred inflow of resources, is being charged to operations as a component of interest expense over the life of the refunding bonds using the effective interest method. The current refunding was undertaken to reduce total debt payments over the next 5 years by \$1,466,492.08 and to obtain a present value economic gain of \$256,226.15.

Note 5: DETAIL NOTES – LIABILITIES**Long-term Liabilities**

During the fiscal year ended January 31, 2024, the following changes occurred in long-term obligations:

	Balance Feb. 1, 2023	Additions	Reductions	Balance Jan. 31, 2024	Due Within One Year
Bonds and Loans Payable:					
Bonds Payable	\$ 8,010,000.00		\$ (725,000.00)	\$ 7,285,000.00	\$ 750,000.00
Bond Premiums	791,836.40		(43,667.33)	748,169.07	
NJEIT Loans	4,021,475.30		(318,363.24)	3,703,112.06	319,288.26
Loan Premiums	1,885.40		(1,256.93)	628.47	
Total Bonds and Loans Payable	12,825,197.10	-	(1,088,287.50)	11,736,909.60	1,069,288.26
Other Liabilities:					
Net Pension Liability	3,768,955.00	\$ 1,106,511.00	(1,448,857.00)	3,426,609.00	
Net OPEB Obligation	7,157,084.00	7,873,731.67	(7,018,584.67)	8,012,231.00	
Other Liabilities -					
Related to Pension	183,713.00	184,442.00	(183,713.00)	184,442.00	
Compensated Absences	179,585.42	21,214.16	(29,446.09)	171,353.49	7,950.29
Total Other Liabilities	11,289,337.42	9,185,898.83	(8,680,600.76)	11,794,635.49	7,950.29
Total Long Term Liabilities	\$ 24,114,534.52	\$ 9,185,898.83	\$ (9,768,888.26)	\$ 23,531,545.09	\$ 1,077,238.55

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Long-term Liabilities (Cont'd)**

During the fiscal year ended January 31, 2023, the following changes occurred in long-term obligations:

	<u>Balance Feb. 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Jan. 31, 2023</u>	<u>Due Within One Year</u>
Bonds and Loans Payable:					
Bonds Payable	\$ 8,820,000.00		\$ (810,000.00)	\$ 8,010,000.00	\$ 725,000.00
Bond Premiums	835,503.73		(43,667.33)	791,836.40	
NJEIT Loans	4,665,437.06		(643,961.76)	4,021,475.30	318,363.24
Loan Premiums	7,377.74		(5,492.34)	1,885.40	
Total Bonds and Loans Payable	14,328,318.53	-	(1,503,121.43)	12,825,197.10	1,043,363.24
Other Liabilities:					
Net Pension Liability	2,661,000.00	\$ 2,499,357.00	(1,391,402.00)	3,768,955.00	
Net OPEB Obligation	8,999,681.00	5,832,118.00	(7,674,715.00)	7,157,084.00	
Other Liabilities -					
Related to Pension	153,452.00	183,713.00	(153,452.00)	183,713.00	
Compensated Absences	195,843.64	39,062.21	(55,320.43)	179,585.42	8,008.72
Total Other Liabilities	12,009,976.64	8,554,250.21	(9,274,889.43)	11,289,337.42	8,008.72
Total Long Term Liabilities	\$ 26,338,295.17	\$ 8,554,250.21	\$ (10,778,010.86)	\$ 24,114,534.52	\$ 1,051,371.96

Revenue Bonds Payable

The Revenue Bond Series 2021A and 2021B are direct obligations of the Authority. The Bonds are secured by a pledge on the revenues derived by the Authority from the operation of its water supply and distribution facilities and its sewerage treatment facilities.

The 2021 Series A Bonds were issued to provide funds for the completion of various capital improvements, fund a deposit to the Debt Service Reserve Account, and pay certain costs of issuance. The Bonds were issued in the amount of \$6,000,000.00 and carry interest rates ranging from 3.00% to 4.00% with a final maturity in fiscal year 2042.

The 2021 Series B Bonds were issued to currently refund all of Authority's 2006 Series A Bonds and 2011 Series A Bonds as of July 29, 2021. The Bonds were issued in the amount of \$2,820,000.00 and carry an interest rate of 4.00% with a final maturity in fiscal year 2026.

The following schedule reflects the Debt Requirements until 2042.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Revenue Bonds Payable (Cont'd)**

<u>Fiscal Year Ending January 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 750,000.00	\$ 227,150.00	\$ 977,150.00
2026	790,000.00	196,350.00	986,350.00
2027	820,000.00	164,150.00	984,150.00
2028	265,000.00	143,775.00	408,775.00
2029	275,000.00	135,675.00	410,675.00
2030-2034	1,490,000.00	548,550.00	2,038,550.00
2035-2039	1,725,000.00	307,875.00	2,032,875.00
2040-2042	1,170,000.00	53,250.00	1,223,250.00
	7,285,000.00	<u>\$ 1,776,775.00</u>	<u>\$ 9,061,775.00</u>
Less: Current Maturities	750,000.00		
Add: Premium on Bonds	<u>748,169.07</u>		
Long-term Portion	<u>\$ 7,283,169.07</u>		

New Jersey Environmental Infrastructure Trust

The Authority also obtained two loans from the NJEIT during 2004 totaling \$818,863.00 for the upgrade of its water treatment plant. The first loan award in the amount of \$413,863.00 is interest free. The second loan in the amount of \$405,000.00 carries interest rates that range from 3.0% to 5.25%. Principal and interest are payable semiannually with the final payments due in fiscal year 2025.

During fiscal year 2017, the Authority obtained four loans from the New Jersey Environmental Infrastructure Trust (NJEIT) totaling \$4,370,773.00 for the expansion and upgrade of its water and sewer facilities. The first two parts of the loan award for \$3,305,773.00 are interest free. The two remaining portions totaling \$1,065,000.00 carry interest rates that range from 3.0% to 5.0%. Principal and interest are payable semiannually with the final payments due in fiscal year 2037.

During fiscal year 2018, the Authority obtained loans from the New Jersey Environmental Infrastructure Trust (NJEIT) totaling \$1,470,230.00 for Improvements to Well Houses 2 and 8. The first part of the loan award for \$1,105,230.00 is interest free. The remaining portion of \$365,000.00 carries interest rates that range from 2.125% to 5.0%. Principal and interest payable semiannually with the final payments due in the fiscal year 2038.

The following schedule reflects the Debt Service Requirements for the Authority's Loans until 2038.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**New Jersey Environmental Infrastructure Trust (Cont'd)**

<u>Fiscal Year</u> <u>Ending January 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 319,288.26	\$ 44,681.26	\$ 363,969.52
2026	289,288.26	40,118.76	329,407.02
2027	294,288.26	36,868.76	331,157.02
2028	299,288.26	33,368.76	332,657.02
2029	304,288.26	30,743.76	335,032.02
2030-2034	1,551,441.30	108,918.80	1,660,360.10
2035-2038	645,229.46	25,868.76	671,098.22
	3,703,112.06	<u>\$ 320,568.86</u>	<u>\$ 4,023,680.92</u>
Less: Current Maturities	319,288.26		
Add: Premium on Loans	<u>628.47</u>		
Long-term Portion	<u>\$ 3,384,452.27</u>		

Compensated Absences

The Authority accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

Authority employees may accumulate unused sick days up to a maximum of 75 days. Employees are compensated for accumulated sick leave upon retirement or resignation at one-half of their then current hourly rate of pay times the number of days accumulated. Vacation days not used during the year may be carried forward for one year. Upon separation from the Authority, the employee will be paid for all accrued vacation time at their then current hourly rate. The accrued liability for accumulated sick leave and vacation time at January 31, 2024 and 2023 is estimated at \$171,353.49 and \$179,585.42.

Net Pension Liability

For details on the net pension liability, see the Pension Plans section of this note that follows. The Authority's annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis.

Net OPEB Liability

For details on other postemployment benefits, see the Postemployment Benefits Other Than Pensions (OPEB) section of this note that follows. The Authority's contributions to the postemployment benefits plan are budgeted and paid as they are due.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans**

A substantial number of the Authority's employees participate in the Public Employees' Retirement System ("PERS") which is administered by the New Jersey Division of Pensions and Benefits. In addition, several Authority employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower (formerly Prudential Financial) for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. As a local participation employer of these pension plans, the Authority is referred to as "Employer" throughout this note. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Employer, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

The Employer's contractually required contribution rate for the fiscal years ended January 31, 2024 and January 31, 2023 was 17.44% and 17.60% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the fiscal year ended January 31, 2024 was \$316,186.00, and was payable by April 1, 2024. For the prior year measurement date of June 30, 2022, the Employer's contractually required contribution to the pension plan for the fiscal year ended January 31, 2023 was \$314,937.00, and was paid by April 1, 2023.

Employee contributions to the Plan for the fiscal year ended January 31, 2024 and 2023 were \$137,584.07 and \$135,036.47, respectively.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the fiscal years ended January 31, 2024 and 2023 was .59% and .44%, respectively, of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the fiscal year ended January 31, 2024 was \$10,686.00, and is payable by April 1, 2024. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the fiscal year ended January 31, 2023 was \$7,930.00, and was paid by April 1, 2023.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Employer contributes 3% of the employees' base salary, for each pay period.

For the fiscal year ended January 31, 2024 and 2023, there were no employees participating in the DCRP.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability - As of January 31, 2024, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was \$3,426,609.00. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2023 measurement date, the Employer's proportion was .0236572803%, which was a decrease of .0013169470% from its proportion measured as of June 30, 2022.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System**

As of January 31, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was \$3,768,955.00. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the Employer's proportion was .0249742273%, which was an increase of .0025118965% from its proportion measured as of June 30, 2022.

Pension (Benefit) Expense - For the fiscal years ended January 31, 2024 and 2023, the Employer recognized its proportionate share of the PERS pension (benefit) expense of \$40,559.00 and (\$78,379.00), respectively. These amounts were based on the Plan's June 30, 2023 and 2022 measurement dates, respectively.

For the fiscal years ended January 31, 2024 and 2023, the Employer has recognized as a revenue and an expenditure on-behalf payments made by the State for the State's proportionate share of the PERS pension expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2023 and 2022 measurement date. The amounts recognized as a revenue and an expenditure in the financial statements was \$10,686.00 and \$7,930.00, respectively.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources – At January 31, 2024 and 2023, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>January 31, 2024</u>		<u>January 31, 2023</u>	
	<u>Measurement Date</u>		<u>Measurement Date</u>	
	<u>June 30, 2023</u>		<u>June 30, 2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 32,763.00	\$ 14,007.00	\$ 27,203.00	\$ 23,989.00
Changes of Assumptions	7,528.00	207,667.00	11,677.00	564,362.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	15,780.00	-	155,994.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	352,106.00	196,108.00	518,096.00	69,424.00
Contributions Subsequent to the Measurement Date	184,442.00	-	183,713.00	-
	<u>\$ 592,619.00</u>	<u>\$ 417,782.00</u>	<u>\$ 896,683.00</u>	<u>\$ 657,775.00</u>

Deferred outflows of resources in the amounts of \$184,442.00 and \$183,713.00 will be included as a reduction of the net pension liability during the fiscal years ending January 31, 2025 and 2024, respectively. These amounts are based on an estimated April 1, 2025 and April 1, 2024 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2023 and 2022 to the Employer's fiscal year end of January 31, 2024 and 2023.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Employer will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04	June 30, 2023	5.00	-
June 30, 2023	5.08	-			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04
			June 30, 2023	5.08	5.08

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Fiscal Year Ending January 31,</u>	
2025	\$ (117,550.00)
2026	(20,961.00)
2027	196,600.00
2028	(64,670.00)
2029	(3,024.00)
	<u>\$ (9,605.00)</u>

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Actuarial Assumptions

Public Employees' Retirement System

The net pension liability was measured as of June 30, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 and 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023 and 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.75% - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

For the June 30, 2023 measurement date, Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

For the June 30, 2022 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Actuarial Assumptions (Cont'd)****Public Employees' Retirement System (Cont'd)**

In accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2023 and 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 and 2022 are summarized in the table below:

<u>Asset Class</u>	<u>Measurement Date</u> <u>June 30, 2023</u>		<u>Measurement Date</u> <u>June 30, 2022</u>	
	<u>Target</u> <u>Allocation</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>	<u>Target</u> <u>Allocation</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>
U.S. Equity	28.00%	8.98%	27.00%	8.12%
Non-U.S. Developed Markets Equity	12.75%	9.22%	13.50%	8.38%
International Small Cap Equity	1.25%	9.22%		
Emerging Markets Equity	5.50%	11.13%	5.50%	10.33%
Private Equity	13.00%	12.50%	13.00%	11.80%
Real Estate	8.00%	8.58%	8.00%	11.19%
Real Assets	3.00%	8.40%	3.00%	7.60%
High Yield	4.50%	6.97%	4.00%	4.95%
Private Credit	8.00%	9.20%	8.00%	8.10%
Investment Grade Credit	7.00%	5.19%	7.00%	3.38%
Cash Equivalents	2.00%	3.31%	4.00%	1.75%
U.S. Treasuries	4.00%	3.31%	4.00%	1.75%
Risk Mitigation Strategies	3.00%	6.21%	3.00%	4.91%
	<u>100.00%</u>		<u>100.00%</u>	

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

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Actuarial Assumptions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Discount Rate (Cont'd) - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.54% as of the June 30, 2022 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate**Public Employees' Retirement System**

The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2023 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	January 31, 2024		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 4,460,716.00</u>	<u>\$ 3,426,609.00</u>	<u>\$ 2,546,447.00</u>

The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2022 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	January 31, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 4,842,003.00</u>	<u>\$ 3,768,955.00</u>	<u>\$ 2,855,748.00</u>

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Pension Plan Fiduciary Net Position****Public Employees' Retirement System**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS' respective fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan**General Information about the State Health Benefit Local Government Retired Employees Plan**

Plan Description and Benefits Provided - The Authority contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>. As a local participating employer of the Plan, the Authority is referred to as "Employer" throughout this note.

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

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

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Employer was billed monthly by the Plan and paid \$134,424.91 and \$110,695.54, for the fiscal years ended January 31, 2024 and 2023, respectively. These amounts represent 7.42% and 6.19% of the Employer's covered payroll. During the fiscal years ended January 31, 2024 and 2023, retirees were not required to contribute to the Plan.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At January 31, 2024, the Employer's proportionate share of the net OPEB liability was \$6,744,689.00.

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The Employer's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan' during the measurement period July 1, 2022 through June 30, 2023. For the June 30, 2023 measurement date, the Employer's proportion was .044945%, which was an increase of .008241% from its proportion measured as of the June 30, 2022 measurement date, as adjusted.

At January 31, 2023, the Employer's proportionate share of the net OPEB liability was \$5,927,548.00.

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

The Employer's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan' during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the Employer's proportion was .036704%, which was a decrease of .000451% from its proportion measured as of the June 30, 2021 measurement date.

OPEB (Benefit) Expense - At January 31, 2024, the Employer's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date, is (\$22,653.00).

At January 31, 2023, the Employer's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date, is \$23,990.00.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At January 31, 2024 and 2023, the Employer had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>January 31, 2024</u>		<u>January 31, 2023</u>	
	<u>Measurement Date</u>		<u>Measurement Date</u>	
	<u>June 30, 2023</u>		<u>June 30, 2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 311,030.00	\$ 1,831,637.00	\$ 306,105.00	\$ 1,098,715.00
Changes of Assumptions	873,690.00	1,906,508.00	791,056.00	2,022,958.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	1,113.00	1,560.00	-
Changes in Proportion	1,925,266.00	275,853.00	456,334.00	397,183.00
Contributions Subsequent to the Measurement Date	<u>77,956.12</u>	<u>-</u>	<u>67,400.49</u>	<u>-</u>
	<u>\$ 3,187,942.12</u>	<u>\$ 4,015,111.00</u>	<u>\$ 1,622,455.49</u>	<u>\$ 3,518,856.00</u>

Deferred outflows of resources in the amount of \$77,956.12 was the result of the Employer contributions subsequent to the Plan's measurement date of June 30, 2023. This amount will be included as a reduction of the Employer's net OPEB liability during the fiscal year ending January 31, 2025. Deferred outflows of resources in the amount of \$67,400.49 was the result of the Employer contributions subsequent to the Plan's measurement date of June 30, 2022. This amount was included as a reduction of the Employer's net OPEB liability during the fiscal year ending January 31, 2024.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Employer will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14	June 30, 2018	5.00	-
June 30, 2019	-	8.05	June 30, 2019	5.00	-
June 30, 2020	7.87	-	June 30, 2020	5.00	-
June 30, 2021	-	7.82	June 30, 2021	5.00	-
June 30, 2022	7.82	-	June 30, 2022	5.00	-
June 30, 2023	-	7.89	June 30, 2023	5.00	-
Changes of Assumptions			Changes in Proportion		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04	June 30, 2017	8.04	8.04
June 30, 2018	-	8.14	June 30, 2018	8.14	8.14
June 30, 2019	-	8.05	June 30, 2019	8.05	8.05
June 30, 2020	7.87	-	June 30, 2020	7.87	7.87
June 30, 2021	7.82	-	June 30, 2021	7.82	7.82
June 30, 2022	-	7.82	June 30, 2022	7.82	7.82
June 30, 2023	7.89	-	June 30, 2023	7.89	7.89

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<u>Fiscal Year Ending</u>	
January 31, 2025	\$ (571,322.00)
January 31, 2026	(388,789.00)
January 31, 2027	(64,341.00)
January 31, 2028	133,328.00
January 31, 2029	(91,228.00)
Thereafter	77,227.00
	<u>\$ (905,125.00)</u>

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)****Actuarial Assumptions**

The actuarial valuation at June 30, 2023 and 2022 used the following actuarial assumptions, applied to all periods in the measurement:

	<u>Measurement Date</u> <u>June 30, 2023</u>	<u>Measurement Date</u> <u>June 30, 2022</u>
Salary Increases *		
PERS:		
Rate for All Future Years	2.75% to 6.55%	2.75% to 6.55%

Mortality:

PERS - Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* salary increases are based on years of service within the respective Plan

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

100% of active members in both the June 30, 2023 and June 30, 2022 measurement dates are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) at the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pays interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2023 and 2022 were 3.65% and 3.54%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)****Actuarial Assumptions (Cont'd)**

Health Care Trend Assumptions – The health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase					
	Medical Trend			Prescription Drug Trend		
	Pre-65	PPO Post-65	HMO Post-65	Pre-65	Post-65	EGWP
2024	6.50%	-5.63%	-6.04%	14.00%	9.50%	14.28%
2025	6.25%	8.22%	8.33%	10.00%	8.75%	11.21%
2026	6.00%	16.85%	17.28%	7.50%	7.50%	7.50%
2027	5.75%	14.31%	14.65%	6.75%	6.75%	6.75%
2028	5.50%	12.43%	12.71%	6.00%	6.00%	6.00%
2029	5.25%	11.02%	11.24%	5.25%	5.25%	5.25%
2030	5.00%	9.91%	10.09%	4.50%	4.50%	4.50%
2031	4.75%	8.98%	9.14%	4.50%	4.50%	4.50%
2032	4.50%	6.46%	6.53%	4.50%	4.50%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability as of June 30, 2023, the Plan's measurement date, for the Employer calculated using a discount rate of 3.65%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	January 31, 2024		
	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Authority's Proportionate Share of the Net OPEB Liability	\$ 7,812,500.00	\$ 6,744,689.00	\$ 5,885,800.00

The net OPEB liability as of June 30, 2022, the Plan's measurement date, for the Employer calculated using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	January 31, 2023		
	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Authority's Proportionate Share of the Net OPEB Liability	\$ 6,871,221.00	\$ 5,927,548.00	\$ 5,168,274.00

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) - State Health Benefits Local Government Retired Employees Plan (Cont'd)****Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The Employer's proportionate share of the net OPEB liability as of June 30, 2023, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<u>January 31, 2024</u>		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Authority's Proportionate Share of the Net OPEB Liability	<u>\$ 5,732,192.00</u>	<u>\$ 6,744,689.00</u>	<u>\$ 8,040,995.00</u>

The Employer's proportionate share of the net OPEB liability as of June 30, 2022, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<u>January 31, 2023</u>		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Authority's Proportionate Share of the Net OPEB Liability	<u>\$ 5,028,517.00</u>	<u>\$ 5,927,548.00</u>	<u>\$ 7,078,953.00</u>

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan**General Information about the OPEB Plan****Plan Description and Benefits Provided**

In addition to the State Health Benefits Plan, the Authority also provides benefits to employees that have retired from the Authority. The Authority provides family prescription and medical insurance, and 50% of the Medicare Part B deduction from the employee's social security for both the employee and the spouse.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan (Cont'd)****General Information about the OPEB Plan (Cont'd)****Employees Covered by Benefit Terms**

At January 31, 2024 and 2023, the following employees were covered by the benefit terms:

	<u>January 31, 2024</u>	<u>January 31, 2023</u>
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	11	11
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments		
Active Employees	<u>27</u>	<u>27</u>
	<u>38</u>	<u>38</u>

Contributions

Employees are not required to contribute to the plan.

Total OPEB Liability

The Authority's total OPEB liability of \$1,267,542.00 as of January 31, 2024 and \$1,229,536.00 as of January 31, 2023 was measured as of January 31, 2024 and 2023, respectively. The liabilities were determined by an actuarial valuation as of January 31, 2024 and 2023.

Actuarial Assumptions and Other Inputs

The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>January 31, 2024</u>	<u>January 31, 2023</u>
Inflation	2.5% Annually	2.5% Annually
Salary Increases	3.0% Annually	3.0% Annually
Discount Rate	4.21% Annually	3.97% Annually
Healthcare Cost Trend Rates		
Medical (Pre-65)	5.0%	5.0%
Medical (Post-65)	7.5%	7.5%
Prescription	4.5%	4.5%
Medicare Part B	4.0%	4.0%
Retirees' Share of Benefit-Related Costs	Pursuant to Chapter 78	Pursuant to Chapter 78

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Index as of January 31, 2024 and 2023.

Mortality rates as of January 31, 2024 and 2023 were based on RP-2014 Mortality Table projected with Scale MP-2018.

Termination rates for the January 31, 2024 and 2023 valuation were based on the State of New Jersey PERS Local Governmental turnover/withdraw experience as of January 31, 2023.

An experience study was not performed on the actuarial assumptions used in the January 31, 2024 and January 31, 2023 valuations. The plan had insufficient data to produce a study with credible results. Mortality rates and termination rates were based on standard tables. The actuary has used his/her professional judgement in applying these assumptions to this plan.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan (Cont'd)****Changes in the Total OPEB Liability**

The following table shows the changes in the total OPEB liability for the years ended January 31, 2024 and 2023, respectively:

	<u>January 31, 2024</u>	<u>January 31, 2023</u>
Balance at Beginning of Year	\$ 1,229,536.00	\$ 2,348,762.00
Changes for the Year:		
Service Cost	\$ 42,950.00	\$ 83,979.00
Interest Cost	48,147.00	52,470.00
Benefit Payments	(33,526.00)	(33,526.00)
Changes of Assumptions	(19,565.00)	(906,474.00)
Differences Between Expected and Actual Demographic Experience	<u>-</u>	<u>(315,675.00)</u>
Net Changes	<u>38,006.00</u>	<u>(1,119,226.00)</u>
Balance at End of Year	<u><u>\$ 1,267,542.00</u></u>	<u><u>\$ 1,229,536.00</u></u>

There were no changes of benefit terms for January 31, 2024. The discount rate changed from 3.97% to 4.21%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	<u>January 31, 2024</u>		
	1.00% Decrease (3.21%)	Current Discount Rate (4.21%)	1.00% Increase (5.21%)
Total OPEB Liability	<u>\$ 1,521,743.00</u>	<u>\$ 1,267,542.00</u>	<u>\$ 1,069,949.00</u>
	<u>January 31, 2023</u>		
	1.00% Decrease (2.97%)	Current Discount Rate (3.97%)	1.00% Increase (4.97%)
Total OPEB Liability	<u>\$ 2,880,773.00</u>	<u>\$ 1,229,536.00</u>	<u>\$ 1,938,362.00</u>

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan (Cont'd)****Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

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

<u>January 31, 2024</u>			
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 1,051,872.00</u>	<u>\$ 1,267,542.00</u>	<u>\$ 1,551,758.00</u>

<u>January 31, 2023</u>			
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 1,824,346.00</u>	<u>\$ 1,229,536.00</u>	<u>\$ 2,867,765.00</u>

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended January 31, 2024 and 2023, the Authority recognized OPEB (benefit) expense of \$3,681.00 and \$55,780.00. At January 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>January 31, 2024</u>		<u>January 31, 2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 156,651.00	\$ 733,390.00	\$ 286,213.00	\$ 838,119.00
Differences Between Expected and Actual Demographic Experience	-	380,018.00	-	472,702.00
	<u>\$ 156,651.00</u>	<u>\$ 1,113,408.00</u>	<u>\$ 286,213.00</u>	<u>\$ 1,310,821.00</u>

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) – Authority Plan (Cont'd)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

Fiscal Year Ending January 31,	
2025	\$ (67,131.22)
2026	(165,596.22)
2027	(165,596.22)
2028	(140,160.22)
2029	(140,160.22)
Thereafter	(278,112.89)
	<u>\$ (956,757.00)</u>

Postemployment Benefits Other Than Pensions (OPEB) – Summary of State and Authority Plans

At January 31, 2024 and 2023, the Authority reported deferred outflows of resources, net OPEB liability and deferred inflows of resources related to OPEB from the following sources:

	Balance January 31, 2023	Additions	Reductions	Balance January 31, 2024
Deferred Outflows of Resources - Related to OPEB				
State Plan	\$ 1,622,455.49	\$ 2,076,819.82	\$ (511,333.19)	\$ 3,187,942.12
Authority Plan	286,213.00	156,651.00	(286,213.00)	156,651.00
Total Deferred Outflows of Resources - Related to OPEB	<u>\$ 1,908,668.49</u>	<u>\$ 2,233,470.82</u>	<u>\$ (797,546.19)</u>	<u>\$ 3,344,593.12</u>
Net OPEB Liability				
State Plan	\$ 5,927,548.00	\$ 6,606,189.67	\$ (5,789,048.67)	\$ 6,744,689.00
Authority Plan	1,229,536.00	1,267,542.00	(1,229,536.00)	1,267,542.00
Total Net OPEB Liability	<u>\$ 7,157,084.00</u>	<u>\$ 7,873,731.67</u>	<u>\$ (7,018,584.67)</u>	<u>\$ 8,012,231.00</u>
Deferred Inflows of Resources - Related to OPEB				
State Plan	\$ 3,518,856.00	\$ 1,737,631.70	\$ (1,241,376.70)	\$ 4,015,111.00
Authority Plan	1,310,821.00	1,113,408.00	(1,310,821.00)	1,113,408.00
Total Deferred Inflows of Resources - Related to OPEB	<u>\$ 4,829,677.00</u>	<u>\$ 2,851,039.70</u>	<u>\$ (2,552,197.70)</u>	<u>\$ 5,128,519.00</u>

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Postemployment Benefits Other Than Pensions (OPEB) – Summary of State and Authority Plans (Cont'd)**

	<u>Balance</u> <u>January 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>January 31, 2023</u>
Deferred Outflows of Resources - Related to OPEB				
State Plan	\$ 1,668,424.08	\$ 387,354.75	\$ (433,323.34)	\$ 1,622,455.49
Authority Plan	420,348.00	286,213.00	(420,348.00)	286,213.00
Total Deferred Outflows of Resources - Related to OPEB	<u>\$ 2,088,772.08</u>	<u>\$ 673,567.75</u>	<u>\$ (853,671.34)</u>	<u>\$ 1,908,668.49</u>
Net OPEB Liability				
State Plan	\$ 6,650,919.00	\$ 4,602,582.00	\$ (5,325,953.00)	\$ 5,927,548.00
Authority Plan	2,348,762.00	1,229,536.00	(2,348,762.00)	1,229,536.00
Total Net OPEB Liability	<u>\$ 8,999,681.00</u>	<u>\$ 5,832,118.00</u>	<u>\$ (7,674,715.00)</u>	<u>\$ 7,157,084.00</u>
Deferred Inflows of Resources - Related to OPEB				
State Plan	\$ 2,986,637.00	\$ 1,482,390.26	\$ (950,171.26)	\$ 3,518,856.00
Authority Plan	303,476.00	1,310,821.00	(303,476.00)	1,310,821.00
Total Deferred Inflows of Resources - Related to OPEB	<u>\$ 3,290,113.00</u>	<u>\$ 2,793,211.26</u>	<u>\$ (1,253,647.26)</u>	<u>\$ 4,829,677.00</u>

Note 6: DETAIL NOTES – DEFERRED INFLOWS OF RESOURCES**Connection Fees**

The Authority receives payments for connection fees when new users connect to the water and/or sewer system. The Authority does not supply the user with supplies or services to make the physical connection and is therefore considered a non-exchange transaction. The Authority recognizes the revenue in the period that the user exercises their right to connect to the system.

Note 7: COMMITMENTS

The Authority had several outstanding or planned construction projects as of January 31, 2024. These projects are evidenced by contractual commitments with contractors and include:

<u>Project</u>	<u>Awarded</u>	<u>Commitment Remaining</u>
Valley Green Pump Station	\$ 307,502.27	\$ 10,957.18
MUA Office Complex	631,266.22	613,355.55
Wedgewood Country Club Sewer Rehabilitation	119,791.58	119,791.58
	<u>\$ 1,058,560.07</u>	<u>\$ 744,104.31</u>

Note 8: DEFERRED COMPENSATION

The Authority offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full-time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Authority or its creditors. Since the Authority does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Authority's financial statements.

Note 9: ARBITRAGE REBATE LIABILITY

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined as ending on the anniversary date of bond settlement.

The following schedule establishes the potential rebate due to the Internal Revenue Service:

<u>Bond Year</u>	<u>Date</u>	<u>Rebate Liability</u>
1	7/28/2022	\$ -
2	7/28/2023	138,304.60
		<u>\$ 138,304.60</u>

As a result of the potential arbitrage rebate due calculated by the Authority, a liability has been recorded in the amount of \$138,304.60. The calculation for the fifth bond year has not been prepared as of the date of this report.

Note 10: NET POSITION

The following is a summary of the Authority's unrestricted net position for the fiscal years ended January 31, 2024 and 2023:

	<u>January 31, 2024</u>	<u>January 31, 2023</u>
Unrestricted Net Position:		
Unrestricted	<u>\$ 2,546,130.94</u>	<u>\$ 2,320,569.54</u>
Reconciliation of Unrestricted Net Position (Deficit):		
Effects of GASB 68 and 71 Pension Related Items	\$ (3,251,772.00)	\$ (3,530,087.00)
Effects of GASB 75 OPEB Related Items	(9,796,156.88)	(10,078,092.51)
Designated for Construction Projects	744,104.31	532,412.24
Undesignated before GASB 68 and 71 Pension Items and GASB 75 OPEB Related Items	<u>14,849,955.51</u>	<u>15,396,336.81</u>
	<u>\$ 2,546,130.94</u>	<u>\$ 2,320,569.54</u>

Note 11: RISK MANAGEMENT

The Authority is a member of New Jersey Utility Authorities Joint Insurance Fund. The Fund provides the Authority with the following coverage:

Workers' Compensation and Employer's Liability
 Liability other than Motor Vehicles
 Property Damage other than Motor Vehicles
 Motor Vehicles

Contributions to the Fund, including a reserve for contingencies are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations. The Authority's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial insurance for claims in excess of \$500,000.00 for each insured event.

The Fund publishes its own financial report, which can be obtained from:

New Jersey Utility Authorities Joint Insurance Fund
 9 Campus Drive, Suite 216
 Parsippany, New Jersey 07054

Note 12: CONTINGENCIES

Litigation - The Authority is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Authority, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 13: SUBSEQUENT EVENTS

Subsequent to January 31, the Authority authorized the sale of notes as follows:

<u>Date</u>	<u>Purpose</u>	<u>Authorization</u>
09/30/24	Complete various infrastructure and capital projects including the repainting of the Authority's water tanks and replacement of a deteriorated section of sewer main including the necessary design and engineering services to complete the projects.	<u>\$ 6,500,000.00</u>

REQUIRED SUPPLEMENTARY INFORMATION

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Required Supplementary Information
Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios - Authority Plan
Last Seven Fiscal Years

	Fiscal Year Ended January 31,			
	2024	2023	2022	2021
Total OPEB Liability				
Service Cost	\$ 42,950.00	\$ 83,979.00	\$ 82,361.00	\$ 72,240.00
Interest Cost	48,147.00	52,470.00	51,530.00	61,193.00
Benefit Payments	(33,526.00)	(33,526.00)	(33,777.00)	(52,233.00)
Actuarial Assumption Changes	(19,565.00)	(906,474.00)	(17,538.00)	94,805.00
Actuarial Demographic Gains		(315,675.00)	-	(272,859.00)
Net Change in Total OPEB Liability	38,006.00	(1,119,226.00)	82,576.00	(96,854.00)
Total OPEB Liability - Beginning of Fiscal Year	1,229,536.00	2,348,762.00	2,266,186.00	2,363,040.00
Total OPEB Liability - End of Fiscal Year	<u>\$ 1,267,542.00</u>	<u>\$ 1,229,536.00</u>	<u>\$ 2,348,762.00</u>	<u>\$ 2,266,186.00</u>
Covered-Employee Payroll	\$ 1,812,789.00	\$ 1,789,648.00	\$ 1,793,498.00	\$ 1,664,787.00
Total OPEB Liability as a Percentage of Covered Employee Payroll	69.92%	68.70%	130.96%	136.12%
	Fiscal Year Ended January 31,			
	2020	2019	2018	
Total OPEB Liability				
Service Cost	\$ 32,763.00	\$ 32,652.00	\$ 31,359.00	
Interest Cost	69,670.00	68,623.00	75,417.00	
Benefit Payments	(78,327.00)	(209,920.00)	(218,023.00)	
Actuarial Assumption Changes	696,110.00	(115,255.00)	21,614.00	
Actuarial Demographic Gains	(105,317.00)	(6,458.00)	5,821.00	
Net Change in Total OPEB Liability	614,899.00	(230,358.00)	(83,812.00)	
Total OPEB Liability - Beginning of Fiscal Year	1,748,141.00	1,978,499.00	2,062,311.00	
Total OPEB Liability - End of Fiscal Year	<u>\$ 2,363,040.00</u>	<u>\$ 1,748,141.00</u>	<u>\$ 1,978,499.00</u>	
Covered-Employee Payroll	\$ 1,595,445.00	\$ 1,568,919.00	\$ 1,603,288.00	
Total OPEB Liability as a Percentage of Covered Employee Payroll	148.11%	111.42%	123.40%	

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Required Supplementary Information
Schedule of the Authority's Proportionate Share
of the Net OPEB Liability - State Plan
Last Seven Plan Years

	Measurement Date Ended June 30,			
	<u>2023</u>	<u>2022</u>	<u>2021(a)</u>	<u>2020</u>
Authority's Proportion of the Net OPEB Liability	0.044945%	0.036704%	0.037155%	0.036468%
Authority's Proportionate Share of the Net OPEB Liability	\$ 6,744,689.00	\$ 5,927,548.00	\$ 6,650,919.00	\$ 6,544,771.00
Authority's Covered Payroll (Plan Measurement Period)	\$ 1,774,429.00	\$ 1,835,719.00	\$ 1,696,903.00	\$ 1,643,206.00
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	380.10%	322.90%	391.94%	398.29%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.79%	-0.36%	0.28%	0.91%
	Measurement Date Ended June 30,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Authority's Proportion of the Net OPEB Liability	0.033980%	0.034761%	0.036219%	
Authority's Proportionate Share of the Net OPEB Liability	\$ 4,602,955.00	\$ 5,445,873.00	\$ 7,394,395.00	
Authority's Covered Payroll (Plan Measurement Period)	\$ 1,566,494.00	\$ 1,601,277.00	\$ 1,537,039.00	
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	293.84%	340.10%	481.08%	
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%	

Reference:

(a) - The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's OPEB Contributions - State Plan
Last Seven Fiscal Years

	Fiscal Year Ended January 31,			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Authority's Required Contributions	\$ 134,424.91	\$ 110,695.54	\$ 91,498.23	\$ 102,826.84
Authority's Contributions in Relation to the Required Contribution	<u>(134,424.91)</u>	<u>(110,695.54)</u>	<u>(91,498.23)</u>	<u>(102,826.84)</u>
Authority's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll (Fiscal Year)	\$ 1,812,789.00	\$ 1,789,648.00	\$ 1,793,498.00	\$ 1,664,787.00
Authority's Contributions as a Percentage of Covered Payroll	7.42%	6.19%	5.10%	6.18%
	Fiscal Year Ended January 31,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	
Authority's Required Contributions	\$ 107,992.08	\$ 156,609.88	\$ 137,459.94	
Authority's Contributions in Relation to the Required Contribution	<u>(107,992.08)</u>	<u>(156,609.88)</u>	<u>(137,459.94)</u>	
Authority's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Authority's Covered Payroll (Fiscal Year)	\$ 1,595,445.00	\$ 1,568,919.00	\$ 1,603,288.00	
Authority's Contributions as a Percentage of Covered Payroll	6.77%	9.98%	8.57%	

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Plan Years

	Measurement Date Ending June 30,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Authority's Proportion of the Net Pension Liability	0.0236572803%	0.0249742273%	0.0224623308%	0.0217564875%	0.0219834281%
Authority's Proportionate Share of the Net Pension Liability	\$ 3,426,609.00	\$ 3,768,955.00	\$ 2,661,000.00	\$ 3,547,914.00	\$ 3,961,080.00
Authority's Covered Payroll (Plan Measurement Period)	\$ 1,825,396.00	\$ 1,805,576.00	\$ 1,680,348.00	\$ 1,574,388.00	\$ 1,577,600.00
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	187.72%	208.74%	158.36%	225.35%	251.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%
	Measurement Date Ending June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's Proportion of the Net Pension Liability	0.0228965804%	0.0212648365%	0.0184373743%	0.0201288354%	0.0194161573%
Authority's Proportionate Share of the Net Pension Liability	\$ 4,508,223.00	\$ 4,950,114.00	\$ 5,460,621.00	\$ 4,518,520.00	\$ 3,635,236.00
Authority's Covered Payroll (Plan Measurement Period)	\$ 1,607,920.00	\$ 1,473,220.00	\$ 1,268,364.00	\$ 1,388,496.00	\$ 1,342,740.00
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	280.38%	336.01%	430.52%	325.43%	270.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Required Supplementary Information
Schedule of the Authority's Pension Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years

	Fiscal Year Ended January 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Authority's Contractually Required Contribution	\$ 316,186.00	\$ 314,937.00	\$ 263,060.00	\$ 238,005.00	\$ 213,834.00
Authority's Contribution in Relation to the Contractually Required Contribution	<u>(316,186.00)</u>	<u>(314,937.00)</u>	<u>(263,060.00)</u>	<u>(238,005.00)</u>	<u>(213,834.00)</u>
Authority's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll (Fiscal Year)	\$ 1,812,789.00	\$ 1,789,648.00	\$ 1,793,498.00	\$ 1,664,787.00	\$ 1,595,445.00
Authority's Contributions as a Percentage of Covered Payroll	17.44%	17.60%	14.67%	14.30%	13.40%
	Fiscal Year Ended January 31,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's Contractually Required Contribution	\$ 227,747.00	\$ 196,996.00	\$ 163,795.00	\$ 173,054.00	\$ 160,064.00
Authority's Contribution in Relation to the Contractually Required Contribution	<u>(227,747.00)</u>	<u>(196,996.00)</u>	<u>(163,795.00)</u>	<u>(173,054.00)</u>	<u>(160,064.00)</u>
Authority's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll (Fiscal Year)	\$ 1,568,919.00	\$ 1,603,288.00	\$ 1,474,569.00	\$ 1,279,522.00	\$ 1,360,858.00
Authority's Contributions as a Percentage of Covered Payroll	14.52%	12.29%	11.11%	13.52%	11.76%

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Notes to Required Supplementary Information
For the Fiscal Year Ended January 31, 2024

Note 1: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - AUTHORITY PLAN

Change in Benefit Terms:

None

Changes in Assumptions:

The discount rate as of January 31, 2024 was 4.21% an increase from the discount rate of 3.97% as of January 31, 2023.

Mortality rates were based on the RP-2014 Mortality Table projected with Scale MP-18 for fiscal year January 31, 2024 and 2023.

Note 2: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN

Change in Benefit Terms:

The actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%
2020	2.21%		

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend update.

There were no changes to mortality projections.

Note 3: POSTEMPLOYMENT BENEFITS - PENSION

Public Employees' Retirement System (PERS)

Change in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Notes to Required Supplementary Information

For the Fiscal Year Ended January 31, 2024

Note 3: POSTEMPLOYMENT BENEFITS - PENSION (CONT'D)**Public Employees' Retirement System (PERS) (Cont'd)*****Changes in Assumptions:***

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	5.66%
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	7.00%
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%

SUPPLEMENTARY SCHEDULES

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Combining Schedule of Revenue, Expenses and Changes in Net Position
For the Fiscal Year Ended January 31, 2024

	Operating	General Reserve	Restricted					Total
			Construction	Debt Service Reserve	Debt Service	Renewal and Replacement	Unemployment	
Operating Revenues:								
Utility Service Charges	\$ 12,559,754.37							\$ 12,559,754.37
Connection Fees	108,650.00							108,650.00
Other Operating Revenues	210,463.85						\$ 3,752.71	214,216.56
	12,878,868.22	-	-	-	-	-	3,752.71	12,882,620.93
Operating Expenses:								
Administration:								
Salaries and Wages	692,496.72							692,496.72
Employee Benefits	544,117.97							544,117.97
Other Expenses	485,187.44							485,187.44
Cost of Providing Service:								
Salaries and Wages	1,330,171.84							1,330,171.84
Employee Benefits	380,996.88							380,996.88
Other Expenses	6,785,030.80							6,785,030.80
Major Repairs and Other Expenses	\$ 143,214.51						2,723.93	145,938.44
Depreciation	1,829,914.31							1,829,914.31
	10,218,001.65	1,973,128.82	-	-	-	-	2,723.93	12,193,854.40
Operating Income (Loss)	2,660,866.57	(1,973,128.82)	-	-	-	-	1,028.78	688,766.53
Non-operating Revenue (Expenses):								
Investment Income	137,074.42	500,128.92	\$ 95,561.04	\$ 15,889.71	\$ 63,271.11	\$ 46,649.16	251.34	858,825.70
Interest on Debt		1,256.93	52,917.04		(288,968.76)			(234,794.79)
Interlocal Service Agreement	10,000.00							10,000.00
Other non-operating Revenues	24,883.20							24,883.20
Lease Revenue	323,139.84							323,139.84
Lease Interest	179,299.01							179,299.01
Loss on Leases Amended and Cancelled	(462,775.52)							(462,775.52)
Income (Loss) Before Transfers and Contributions	2,872,487.52	(1,471,742.97)	148,478.08	15,889.71	(225,697.65)	46,649.16	1,280.12	1,387,343.97
Transfers	(2,773,737.52)	1,863,848.59	730,154.52	(15,889.71)	242,273.28	(46,649.16)		-
Increase in Net Position	98,750.00	392,105.62	878,632.60	-	16,575.63	-	1,280.12	1,387,343.97
Net Position February 1	2,876,600.00	22,359,112.98	7,948,868.49	340,622.02	1,799,521.62	1,000,000.00	54,255.39	36,378,980.50
Net Position January 31:								
Net Investment in Capital Assets		22,021,184.91	\$ 8,827,501.09					30,848,686.00
Restricted	\$ 2,975,350.00			\$ 340,622.02		\$ 1,000,000.00	\$ 55,535.51	4,371,507.53
Unrestricted		\$ 730,033.69			\$ 1,816,097.25			2,546,130.94

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of Sewer Anticipated Revenues, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared To Budget -- Non-GAAP (Budgetary) Basis
For the Fiscal Year Ended January 31, 2024

	Adopted Budget	Transfers/ Modifications	Adopted and Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:					
Service Fees	\$ 7,714,500.00		\$ 7,714,500.00	\$ 7,838,682.80	\$ 124,182.80
Connection Fees				43,750.00	43,750.00
Other Operating Revenues	52,000.00		52,000.00	113,607.68	61,607.68
Total Operating Revenues	7,766,500.00	-	7,766,500.00	7,996,040.48	229,540.48
Non-Operating Revenues:					
Interest on Investments and Deposits	20,000.00		20,000.00	613,054.71	593,054.71
Other Non-Operating Revenues	5,000.00		5,000.00	5,000.00	-
Total Non-Operating Revenues	25,000.00	-	25,000.00	618,054.71	593,054.71
Total Anticipated Revenues	7,791,500.00	-	7,791,500.00	8,614,095.19	822,595.19
Operating Appropriations:					
Administration:					
Salaries and Wages:					
Board Members	3,200.00		3,200.00	2,750.53	449.47
Office Administration	350,000.00		350,000.00	342,835.18	7,164.82
Total Salaries and Wages	353,200.00	-	353,200.00	345,585.71	7,614.29
Employee Benefits:					
Social Security	29,000.00		29,000.00	27,728.94	1,271.06
Deferred Compensation Match	9,500.00		9,500.00	8,277.01	1,222.99
Worker's Compensation	22,500.00		22,500.00	12,331.88	10,168.12
PERS	51,975.00		51,975.00	51,965.00	10.00
Health Benefits	295,000.00		295,000.00	264,813.36	30,186.64
Prescription Plan	10,000.00		10,000.00	1,069.91	8,930.09
Continuing Education	2,000.00		2,000.00	-	2,000.00
Total Employee Benefits	419,975.00	-	419,975.00	366,186.10	53,788.90
Other Expenses:					
Office Supplies	10,000.00		10,000.00	4,856.66	5,143.34
Computer Expense	5,000.00	\$ 2,500.00	7,500.00	6,891.69	608.31
Maintenance Contracts	27,500.00	(2,500.00)	25,000.00	20,921.99	4,078.01
Billing Expenses	25,000.00		25,000.00	20,092.11	4,907.89
Accounting Fees	25,000.00		25,000.00	18,423.97	6,576.03
Trustee Fees	12,000.00		12,000.00	5,500.00	6,500.00
Consulting Fees	6,000.00		6,000.00	3,375.00	2,625.00
Insurance	75,000.00		75,000.00	56,209.75	18,790.25
Legal Fees	35,000.00		35,000.00	29,885.55	5,114.45
Engineering Fees	25,000.00		25,000.00	10,690.03	14,309.97
Public Relations	4,000.00		4,000.00	600.00	3,400.00
Telephone	19,000.00		19,000.00	16,661.78	2,338.22
Miscellaneous Expenses	5,500.00		5,500.00	3,326.17	2,173.83
Total Other Expenses	274,000.00	-	274,000.00	197,434.70	76,565.30
Total Administration	1,047,175.00	-	1,047,175.00	909,206.51	137,968.49
Cost of Providing Service:					
Salaries and Wages:					
Plant Salaries	916,500.00		916,500.00	867,284.73	49,215.27

(Continued)

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Schedule of Sewer Anticipated Revenues, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared To Budget -- Non-GAAP (Budgetary) Basis
For the Fiscal Year Ended January 31, 2024

	Adopted Budget	Transfers/ Modifications	Adopted and Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Appropriations (Cont'd):					
Cost of Providing Service (Cont'd):					
Employee Benefits:					
Social Security	\$ 68,250.00		\$ 68,250.00	\$ 62,684.89	\$ 5,565.11
Deferred Compensation Match	18,850.00		18,850.00	15,967.62	2,882.38
Workman's Compensation	29,250.00	\$ (1,250.00)	28,000.00	16,031.44	11,968.56
PERS	137,025.00	1,250.00	138,275.00	138,247.94	27.06
Health Benefits	255,000.00		255,000.00	233,539.76	21,460.24
Continuing Education	10,000.00		10,000.00	2,798.36	7,201.64
Total Employee Benefits	518,375.00	-	518,375.00	469,270.01	49,104.99
Other Expenses:					
Electric Power	200,000.00	(20,000.00)	180,000.00	167,641.97	12,358.03
Gas Oil - Heating	16,000.00		16,000.00	14,349.36	1,650.64
Chemicals	10,000.00		10,000.00	1,372.50	8,627.50
Transportation	70,000.00		70,000.00	61,751.07	8,248.93
Plant Supplies	35,000.00		35,000.00	29,798.90	5,201.10
Maintenance Contracts	12,000.00		12,000.00	10,034.34	1,965.66
Repairs and Maintenance	140,000.00	85,000.00	225,000.00	221,313.54	3,686.46
Dues and Licenses	2,000.00		2,000.00	265.40	1,734.60
Sewage Treatment-GCUA	4,510,000.00	(55,000.00)	4,455,000.00	4,275,313.82	179,686.18
Emergency Repairs	150,000.00	(15,000.00)	135,000.00	74,914.12	60,085.88
Licensed Operator	131,500.00	5,000.00	136,500.00	136,500.00	-
Total Other Expenses	5,276,500.00	-	5,276,500.00	4,993,255.02	283,244.98
Total Cost of Providing Service	6,711,375.00	-	6,711,375.00	6,329,809.76	381,565.24
Principal Payments on Debt Service in Lieu of Depreciation	350,185.00		350,185.00	353,382.72	(3,197.72)
Non-Operating Appropriations:					
Interest on Debt	128,250.00		128,250.00	128,725.00	(475.00)
Total Non-Operating Appropriations	128,250.00	-	128,250.00	128,725.00	(475.00)
Total Budget Appropriations	8,236,985.00	-	8,236,985.00	7,721,123.99	515,861.01
Unrestricted Net Position to Balance Budget:					
Other	(445,485.00)		(445,485.00)	-	(445,485.00)
Total Unrestricted Net Position to Balance Budget	(445,485.00)	-	(445,485.00)	-	(445,485.00)
Total Appropriations Less Unrestricted Net Position	7,791,500.00	-	7,791,500.00	7,721,123.99	70,376.01
Excess Budgetary Revenues Over Budgetary Appropriations	\$ -	\$ -	\$ -	\$ 892,971.20	\$ 892,971.20

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of Water Anticipated Revenues, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared To Budget -- Non-GAAP (Budgetary) Basis
For the Fiscal Year Ended January 31, 2024

	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Adopted and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues:					
Service Fees	\$ 4,070,400.00	\$ 100,000.00	\$ 4,170,400.00	\$ 4,721,071.57	\$ 550,671.57
Connection Fees				64,900.00	64,900.00
Other Operating Revenues	<u>57,000.00</u>	<u></u>	<u>57,000.00</u>	<u>86,170.17</u>	<u>29,170.17</u>
Total Operating Revenues	<u>4,127,400.00</u>	<u>100,000.00</u>	<u>4,227,400.00</u>	<u>4,872,141.74</u>	<u>644,741.74</u>
Non-Operating Revenues:					
Interest on Investments and Deposits	20,000.00		20,000.00	384,075.59	364,075.59
Other Non-Operating Revenues	<u>430,000.00</u>	<u></u>	<u>430,000.00</u>	<u>580,043.36</u>	<u>150,043.36</u>
Total Non-Operating Revenues	<u>450,000.00</u>	<u>-</u>	<u>450,000.00</u>	<u>964,118.95</u>	<u>514,118.95</u>
Total Anticipated Revenues	<u>4,577,400.00</u>	<u>100,000.00</u>	<u>4,677,400.00</u>	<u>5,836,260.69</u>	<u>1,158,860.69</u>
Operating Appropriations:					
Administration:					
Salaries and Wages:					
Board Members	3,200.00		3,200.00	2,750.11	449.89
Office Administration	<u>350,000.00</u>	<u></u>	<u>350,000.00</u>	<u>345,669.93</u>	<u>4,330.07</u>
Total Salaries and Wages	<u>353,200.00</u>	<u>-</u>	<u>353,200.00</u>	<u>348,420.04</u>	<u>4,779.96</u>
Employee Benefits:					
Social Security	29,000.00		29,000.00	27,722.59	1,277.41
Deferred Compensation Match	9,500.00		9,500.00	8,277.01	1,222.99
Worker's Compensation	22,500.00		22,500.00	12,331.87	10,168.13
PERS	51,975.00		51,975.00	51,965.00	10.00
Health Benefits	295,000.00		295,000.00	264,812.06	30,187.94
Prescription Plan	10,000.00		10,000.00	1,069.87	8,930.13
Continuing Education	<u>2,000.00</u>	<u></u>	<u>2,000.00</u>	<u>-</u>	<u>2,000.00</u>
Total Employee Benefits	<u>419,975.00</u>	<u>-</u>	<u>419,975.00</u>	<u>366,178.40</u>	<u>53,796.60</u>
Other Expenses:					
Office Supplies	10,000.00		10,000.00	4,856.51	5,143.49
Computer Expense	5,000.00	2,500.00	7,500.00	6,891.55	608.45
Maintenance Contracts	27,500.00	(2,500.00)	25,000.00	20,921.87	4,078.13
Billing Expenses	25,000.00		25,000.00	20,092.07	4,907.93
Accounting Fees	25,000.00		25,000.00	18,423.96	6,576.04
Trustee Fees	20,000.00		20,000.00	8,305.00	11,695.00
Consulting Fees	6,000.00		6,000.00	3,375.00	2,625.00
Insurance	75,000.00		75,000.00	56,209.75	18,790.25
Legal Fees	35,000.00		35,000.00	29,885.54	5,114.46
Engineering Fees	25,000.00		25,000.00	10,689.97	14,310.03
Public Relations	12,500.00		12,500.00	9,867.67	2,632.33
Telephone	19,000.00		19,000.00	16,661.44	2,338.56
Miscellaneous Expenses	<u>5,500.00</u>	<u></u>	<u>5,500.00</u>	<u>3,410.62</u>	<u>2,089.38</u>
Total Other Expenses	<u>290,500.00</u>	<u>-</u>	<u>290,500.00</u>	<u>209,590.95</u>	<u>80,909.05</u>
Total Administration	<u>1,063,675.00</u>	<u>-</u>	<u>1,063,675.00</u>	<u>924,189.39</u>	<u>139,485.61</u>
Cost of Providing Service:					
Salaries and Wages					
Plant Salaries	<u>493,500.00</u>	<u></u>	<u>493,500.00</u>	<u>462,650.79</u>	<u>30,849.21</u>

(Continued)

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of Water Anticipated Revenues, Operating Appropriations, Principal Payments and
Non-Operating Appropriations Compared To Budget -- Non-GAAP (Budgetary) Basis
For the Fiscal Year Ended January 31, 2024

	Adopted Budget	Transfers/ Modifications	Adopted and Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Appropriations (Cont'd):					
Cost of Providing Service (Cont'd):					
Employee Benefits:					
Social Security	\$ 36,750.00		\$ 36,750.00	\$ 33,304.27	\$ 3,445.73
Deferred Compensation Match	10,150.00		10,150.00	8,591.79	1,558.21
Workman's Compensation	15,750.00	\$ (700.00)	15,050.00	8,632.31	6,417.69
PERS	74,025.00	700.00	74,725.00	74,677.43	47.57
Health Benefits	138,000.00		138,000.00	125,313.62	12,686.38
Continuing Education	10,000.00		10,000.00	2,767.04	7,232.96
Total Employee Benefits	284,675.00	-	284,675.00	253,286.46	31,388.54
Other Expenses:					
Electric Power	625,000.00	89,000.00	714,000.00	711,881.22	2,118.78
Gas Oil - Heating	16,000.00		16,000.00	14,349.29	1,650.71
Chemicals	125,000.00	49,000.00	174,000.00	156,825.29	17,174.71
Transportation	70,000.00		70,000.00	53,921.76	16,078.24
Plant Supplies	40,000.00		40,000.00	38,167.67	1,832.33
Maintenance Contracts	16,000.00		16,000.00	13,734.30	2,265.70
Repairs and Maintenance	95,000.00		95,000.00	85,974.66	9,025.34
Dues and Licenses	8,000.00		8,000.00	5,153.60	2,846.40
Meter Expense	275,000.00	43,500.00	318,500.00	317,480.78	1,019.22
Water Diversion	40,000.00		40,000.00	38,772.15	1,227.85
Lab Testing	75,000.00		75,000.00	51,532.65	23,467.35
Service Wells	250,000.00	(90,500.00)	159,500.00	158,581.50	918.50
Emergency Repairs	200,000.00	6,500.00	206,500.00	206,315.49	184.51
Licensed Operator	71,000.00	2,500.00	73,500.00	73,500.00	-
Total Other Expenses	1,906,000.00	100,000.00	2,006,000.00	1,926,190.36	79,809.64
Total Cost of Providing Service	2,684,175.00	100,000.00	2,784,175.00	2,642,127.61	142,047.39
Principal Payments on Debt Service in Lieu of Depreciation	693,185.00	-	693,185.00	689,980.52	3,204.48
Non-Operating Appropriations:					
Interest on Debt	177,360.00	-	177,360.00	176,881.26	478.74
Total Non-Operating Appropriations	177,360.00	-	177,360.00	176,881.26	478.74
Total Budget Appropriations	4,618,395.00	100,000.00	4,718,395.00	4,433,178.78	285,216.22
Unrestricted Net Position to Balance Budget: Other	(40,995.00)		(40,995.00)		(40,995.00)
Total Unrestricted Net Position to Balance Budget	(40,995.00)	-	(40,995.00)	-	(40,995.00)
Total Appropriations Less Unrestricted Net Position	4,577,400.00	100,000.00	4,677,400.00	4,433,178.78	244,221.22
Excess Budgetary Revenues Over Budgetary Appropriations	\$ -	\$ -	\$ -	\$ 1,403,081.91	\$ 1,403,081.91

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Schedule of Required Supplemental Information

Reconciliation of Budgetary Revenues and Expenses with GAAP Revenues and Expenses

For the Fiscal Year Ended January 31, 2024

Reconciliation to Operating Income

Excess Budgetary Revenues Over Budgetary Appropriations:

Sewer Utility - Schedule 2	\$ 892,971.20	
Water Utility - Schedule 3	<u>1,403,081.91</u>	
		\$ 2,296,053.11

Add:

Bond Principal Payments	1,043,363.24	
Interest on Debt	305,606.26	
Employee Unemployment Contributions	3,752.71	
GASB 68 Pension Benefit	276,297.00	
GASB 75 OPEB Benefit	281,935.63	
Various Accrual Adjustments	<u>39,784.99</u>	
		<u>1,950,739.83</u>

4,246,792.94

Less:

Investment Income	997,130.30	
Interlocal Service Agreement	261,903.52	
Tower Rentals	323,139.84	
Major Repairs and Other Expenses	145,938.44	
Depreciation	<u>1,829,914.31</u>	
		<u>3,558,026.41</u>

Operating Income (Schedule 1)

\$ 688,766.53

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of Revenue Bonds
For the Fiscal Year Ended January 31, 2024

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Jan. 31, 2024		Interest Rate	Balance Feb. 1, 2023	Paid	Balance Jan. 31, 2024
			Date	Amount				
Utility System Revenue Bonds, Series 2021A	7/29/21	\$ 6,000,000.00	2/1/24	\$ 235,000.00	4.00%			
			2/1/25	245,000.00	4.00%			
			2/1/26	255,000.00	4.00%			
			2/1/27	265,000.00	3.00%			
			2/1/28	275,000.00	3.00%			
			2/1/29	280,000.00	3.00%			
			2/1/30	290,000.00	3.00%			
			2/1/31	300,000.00	3.00%			
			2/1/32	305,000.00	3.00%			
			2/1/33	315,000.00	3.00%			
			2/1/34	325,000.00	3.00%			
			2/1/35	335,000.00	3.00%			
			2/1/36	345,000.00	3.00%			
			2/1/37	355,000.00	3.00%			
			2/1/38	365,000.00	3.00%			
			2/1/39	380,000.00	3.00%			
			2/1/40	390,000.00	3.00%			
			2/1/41	400,000.00	3.00%			
				<u>5,660,000.00</u>		\$ 5,885,000.00	\$ 225,000.00	\$ 5,660,000.00
Utility System Revenue Refunding Bonds, Series 2021B	7/29/21	2,820,000.00	2/1/24	515,000.00	4.00%			
			2/1/25	545,000.00	4.00%			
			2/1/26	565,000.00	4.00%			
				<u>1,625,000.00</u>		<u>2,125,000.00</u>	<u>500,000.00</u>	<u>1,625,000.00</u>
						<u>\$ 8,010,000.00</u>	<u>\$ 725,000.00</u>	7,285,000.00
						Add: Net Premium on Bonds		<u>748,169.07</u>
								<u>\$ 8,033,169.07</u>

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Fiscal Year Ended January 31, 2024

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Jan. 31, 2024		Interest Rate	Balance Feb. 1, 2023	Paid	Balance Jan. 31, 2024
			Date	Amount				
2004 New Jersey Environmental Infrastructure Trust Loan - Water Program	11/4/04	\$ 405,000.00	8/1/24	\$ 30,000.00	4.375%			
				30,000.00				
						\$ 60,000.00	\$ 30,000.00	\$ 30,000.00
2004 New Jersey Environmental Infrastructure Fund Loan - Water Program	11/4/04	413,863.00			NIL	4,074.98	4,074.98	-
2016 New Jersey Environmental Infrastructure Trust Loan - Water Program	12/22/16	615,000.00	8/1/24	30,000.00	5.000%			
			8/1/25	30,000.00	5.000%			
			8/1/26	30,000.00	5.000%			
			8/1/27	30,000.00	4.000%			
			8/1/28	35,000.00	4.000%			
			8/1/29	35,000.00	4.000%			
			8/1/30	35,000.00	4.000%			
			8/1/31	40,000.00	4.000%			
			8/1/32	40,000.00	4.000%			
			8/1/33	40,000.00	4.000%			
			8/1/34	40,000.00	4.000%			
			8/1/35	45,000.00	4.000%			
			8/1/36	45,000.00	4.000%			
				475,000.00		500,000.00	25,000.00	475,000.00
2016 New Jersey Environmental Infrastructure Fund Loan - Water Program	12/22/16	1,911,746.00	2/1/24	32,402.47				
			8/1/24	64,804.94				
			2/1/25	32,402.47				
			8/1/25	64,804.94				
			2/1/26	32,402.47				
			8/1/26	64,804.94				
			2/1/27	32,402.47				
			8/1/27	64,804.94				
			2/1/28	32,402.47				
			8/1/28	64,804.94				
			2/1/29	32,402.47				

(Continued)

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Fiscal Year Ended January 31, 2024

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Jan. 31, 2024		Interest Rate	Balance Feb. 1, 2023	Paid	Balance Jan. 31, 2024
			Date	Amount				
2016 New Jersey Environmental Infrastructure Fund Loan (Cont'd) - Water Program	12/22/16	\$ 1,911,746.00	8/1/29	\$ 64,804.94				
			2/1/30	32,402.47				
			8/1/30	64,804.94				
			2/1/31	32,402.47				
			8/1/31	64,804.94				
			2/1/32	32,402.47				
			8/1/32	64,804.94				
			2/1/33	32,402.47				
			8/1/33	64,804.94				
			2/1/34	32,402.47				
			8/1/34	64,804.94				
			2/1/35	12,651.09				
				<u>1,081,932.60</u>	NIL	\$ 1,179,140.01	\$ 97,207.41	\$ 1,081,932.60
2016 New Jersey Environmental Infrastructure Trust Loan - Sewer Program	12/22/16	450,000.00	8/1/24	20,000.00	5.000%			
			8/1/25	20,000.00	5.000%			
			8/1/26	20,000.00	5.000%			
			8/1/27	25,000.00	4.000%			
			8/1/28	25,000.00	4.000%			
			8/1/29	25,000.00	4.000%			
			8/1/30	25,000.00	4.000%			
			8/1/31	30,000.00	4.000%			
			8/1/32	30,000.00	4.000%			
			8/1/33	30,000.00	4.000%			
			8/1/34	30,000.00	4.000%			
			8/1/35	30,000.00	4.000%			
			8/1/36	35,000.00	4.000%			
				<u>345,000.00</u>		365,000.00	20,000.00	345,000.00
2016 New Jersey Environmental Infrastructure Fund Loan - Sewer Program	12/22/16	1,394,027.00	2/1/24	23,627.57				
			8/1/24	47,255.15				
			2/1/25	23,627.57				
			8/1/25	47,255.15				
			2/1/26	23,627.57				
			8/1/26	47,255.15				

(Continued)

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Fiscal Year Ended January 31, 2024

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Jan. 31, 2024		Interest Rate	Balance Feb. 1, 2023	Paid	Balance Jan. 31, 2024
			Date	Amount				
2016 New Jersey Environmental Infrastructure Fund Loan (Cont'd) - Sewer Program	12/22/16	\$ 1,394,027.00	2/1/27	\$ 23,627.57				
			8/1/27	47,255.15				
			2/1/28	23,627.57				
			8/1/28	47,255.15				
			2/1/29	23,627.57				
			8/1/29	47,255.15				
			2/1/30	23,627.57				
			8/1/30	47,255.15				
			2/1/31	23,627.57				
			8/1/31	47,255.15				
			2/1/32	23,627.57				
			8/1/32	47,255.15				
			2/1/33	23,627.57				
			8/1/33	47,255.15				
			2/1/34	23,627.57				
			8/1/34	47,255.15				
			2/1/35	23,627.57				
			8/1/35	47,255.15				
			2/1/36	17,247.89				
				<u>867,840.53</u>	NIL	\$ 938,723.25	\$ 70,882.72	\$ 867,840.53
2017 New Jersey Environmental Infrastructure Trust Loan - Water Program	11/21/17	365,000.00	8/1/24	15,000.00	5.000%			
			8/1/25	15,000.00	5.000%			
			8/1/26	20,000.00	5.000%			
			8/1/27	20,000.00	5.000%			
			8/1/28	20,000.00	2.125%			
			8/1/29	20,000.00	2.375%			
			8/1/30	20,000.00	2.500%			
			8/1/31	20,000.00	2.625%			
			8/1/32	20,000.00	2.750%			
			8/1/33	20,000.00	2.750%			
			8/1/34	25,000.00	2.875%			
			8/1/35	25,000.00	2.875%			
			8/1/36	25,000.00	3.000%			
			8/1/37	25,000.00	3.000%			
				<u>290,000.00</u>		305,000.00	15,000.00	290,000.00

(Continued)

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of Loans Payable
For the Fiscal Year Ended January 31, 2024

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Feb. 1, 2023	Paid	Balance Jan. 31, 2024
			Date	Amount				
2017 New Jersey Environmental Infrastructure Fund Loan - Water Program	11/21/17	\$ 1,105,230.00	2/1/24	\$ 18,732.71				
			8/1/24	37,465.42				
			2/1/25	18,732.71				
			8/1/25	37,465.42				
			2/1/26	18,732.71				
			8/1/26	37,465.42				
			2/1/27	18,732.71				
			8/1/27	37,465.42				
			2/1/28	18,732.71				
			8/1/28	37,465.42				
			2/1/29	18,732.71				
			8/1/29	37,465.42				
			2/1/30	18,732.71				
			8/1/30	37,465.42				
			2/1/31	18,732.71				
			8/1/31	37,465.42				
			2/1/32	18,732.71				
			8/1/32	37,465.42				
			2/1/33	18,732.71				
			8/1/33	37,465.42				
			2/1/34	18,732.71				
			8/1/34	32,624.92				
				<u>613,338.93</u>	NIL	\$ <u>669,537.06</u>	\$ <u>56,198.13</u>	\$ <u>613,338.93</u>
						\$ <u>4,021,475.30</u>	\$ <u>318,363.24</u>	3,703,112.06
							Premium on Loans	<u>628.47</u>
								\$ <u>3,703,740.53</u>

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

For the Fiscal Year Ended January 31, 2024

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Schedule of Findings and Recommendations

For the Fiscal Year Ended January 31, 2024

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

No Current Year Findings

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with the audit requirements as prescribed by the Bureau of Authority Regulations, Division of Local Governmental Services, Department of Community Affairs, State of New Jersey.

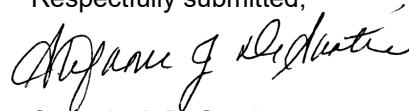
No Prior Year Findings

38400

APPRECIATION

We express our appreciation for the assistance and courtesies rendered by the Authority officials during the course of the audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stefanie J. DeSantis". The signature is fluid and cursive, with the first name being the most prominent.

Stefanie J. DeSantis
BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants