

**EVESHAM MUNICIPAL
UTILITIES AUTHORITY**

REPORT OF AUDIT

**WITH
SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEARS ENDED

JUNE 30, 2023 & 2022

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EVESHAM MUNICIPAL UTILITIES AUTHORITY

Roster of Officials
June 30, 2023

<u>Members</u>	<u>Position</u>	<u>Amount of Surety Bond</u>
Edward Waters	Chairperson	
George Tencza	Vice Chairperson	
Michael Schmidt	Secretary	
Richard Sweeney	Assistant Secretary	
Krystal Hunter, PhD	Alternate Secretary	
Byron Druss	Alternate Board Member #1	
Lewis Kipness	Alternate Board Member #2	
<u>Other Officials</u>		
Jeffrey Booth	Executive Director	\$1,000,000.00 (A)
Laura Puszcz	Deputy Executive Director of Finance	\$1,000,000.00 (A)
James Higgins	Operations Manager	\$1,000,000.00 (A)
Frank Locantore	Assistant Executive Director of Personnel, Safety and Security	\$1,000,000.00 (A)
Malamut & Associates, LLC	General Counsel	
Florio, Perrucci, Steinhardt Cappelli, Tipton & Taylor, LLC	Labor & Special Counsel	
Richard Alaimo	Consulting Engineer	
TD Bank, N.A.	Trustee	

(A) Public Employees' Faithful Performance/Dishonesty Crime Coverage of \$1,000,000.00 per employee provided by the New Jersey Utility Authorities Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund.

EVESHAM MUNICIPAL UTILITIES AUTHORITY

PART I

FINANCIAL SECTION

FOR THE FISCAL YEARS ENDED

JUNE 30, 2023 & 2022

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of
Evesham Municipal Utilities Authority
Evesham Township, New Jersey 08053

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Evesham Municipal Utilities Authority, in the County of Burlington, State of New Jersey, a component unit of the Township of Evesham (Authority), as of and for the fiscal years ended June 30, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Evesham Municipal Utilities Authority, in the County of Burlington, State of New Jersey, a component unit of the Township of Evesham, as of June 30, 2023 and 2022, 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 in compliance with 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 Evesham Municipal Utilities Authority, in the County of Burlington, State of New Jersey, a component unit of the Township of Evesham, 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 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 January 29, 2024 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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
January 29, 2024

**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
Evesham Municipal Utilities Authority
Evesham Township, New Jersey 08053

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 in compliance with 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 Evesham Municipal Utilities Authority, in the County of Burlington, State of New Jersey, a component unit of the Township of Evesham, (Authority), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 29, 2024.

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 the 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,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
January 29, 2024

**Evesham Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
(Unaudited)**

The Evesham Municipal Utilities Authority (the Authority) is a public agency providing potable water and wastewater services to Evesham Township. This section of the Authority's annual financial report provides a discussion and analysis of the financial performance for the fiscal year ending June 30, 2023. The financial section of the annual report consists of five parts: Independent Auditor's Reports, the management's discussion and analysis, the financial statements, the required supplementary information and supplemental information.

FINANCIAL

- **Connection Fees:** Connection Fee Revenues for FY 2023 totaled \$1,074,304.13. This was a \$166,136.07 increase from FY 2022. Developers pay connection fees upon submittal of plans for new construction to connect into the Authority's water and/or sewer system. These deposits are set up as a liability until the connection is completed. Once the water meter is installed and a new billing account is established, the liability is removed and the revenue is realized. The connection fees offset the capital expense of capacity in the water and/or sewer system. Future projections indicate that connection fees will decline as Evesham Township approaches build-out. The Authority has had a rate profile in place for many years which is reviewed annually. The Authority has continued to monitor the rate structure and make adjustments to reduce its dependency on connection fee revenues, which are too volatile to depend on as a revenue source.
- **Total Net Position:** Total assets at June 30, 2023 were \$106,486,461.04. After adding deferred outflows of resources and deducting liabilities and deferred inflows of resources, net position at June 30, 2023 was \$61,527,875.30.
- **Total Operating Revenue:** FY 2023 operating revenue, \$18,698,008.06, was similar to FY 2022 operating revenue, \$18,750,422.26.
- **Total Operating Expenses:** FY 2022 Operating expenses of \$16,784,758.05 increased by \$435,801.96 from last year's amount of \$16,348,956.09. This increase is attributed to an increase in fringe benefits and other costs of service.

**Evesham Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
(Unaudited) (Continued)**

FINANCIAL (CONT'D)

- **Interest Income:** In FY 2023, the Authority generated \$1,321,126.79 in interest income from investments. Interest income is adjusted by the recording of investments at "fair value"; the Authority's interest income on investments was \$1,275,761.32 higher than FY 2022. All the Authority's investments are in secure investment vehicles which include Federal Home Loan Mortgage Corporation and GNMA Remics. The Authority continuously monitors all potential investment opportunities to maximize its rate of return. The interest income generated from these secure investments is an important component of the rate profile and is used in consideration of the service charge rate structure to help minimize any necessary rate increase.

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 comparative statements of net position includes all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The Authority follows an accrual method of accounting, the current year's revenues and expenses are accounted for in the comparative statements of revenues, 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.

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

The comparative statements of cash flows provides a breakdown of the various sources of cash flow, categorized into three areas: Cash flows from operating activities, capital and related financing activities, non-capital financing activities and investing activities.

**Evesham Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
(Unaudited) (Continued)**

FINANCIAL ANALYSIS OF THE AUTHORITY

The Authority's total assets were \$106,486,461.04 on June 30, 2023. Total assets, total deferred outflow of resources, total liabilities, total inflow of resources and total net position are detailed below:

Evesham Municipal Utilities Authority Net Position As of June 30,					
	<u>2023</u>	<u>2022</u>	<u>(Restated)</u> <u>2021</u>	<u>Change from FY 2022 to 2023</u> <u>Amount</u>	<u>Percentage</u>
Current & Non-Current Assets	\$ 49,515,769.11	\$ 51,253,757.85	\$ 52,304,573.36	\$ (1,737,988.74)	-3.39%
Capital Assets (net of accumulated depreciation)	<u>56,970,691.93</u>	<u>54,625,165.45</u>	<u>53,166,088.74</u>	<u>2,345,526.48</u>	4.29%
Total Assets	<u>106,486,461.04</u>	<u>105,878,923.30</u>	<u>105,470,662.10</u>	<u>607,537.74</u>	0.57%
Deferred Outflows of Resources	<u>10,412,448.43</u>	<u>11,668,304.40</u>	<u>14,119,359.94</u>	<u>(1,255,855.97)</u>	-10.76%
Current Liabilities	3,197,767.43	3,775,317.63	3,903,515.37	(577,550.20)	-15.30%
Long-term Liabilities	<u>41,464,609.36</u>	<u>42,589,826.11</u>	<u>47,237,873.19</u>	<u>(1,125,216.75)</u>	-2.64%
Total Liabilities	<u>44,662,376.79</u>	<u>46,365,143.74</u>	<u>51,141,388.56</u>	<u>(1,702,766.95)</u>	-3.67%
Deferred Inflows of Resources	<u>10,708,657.38</u>	<u>11,898,405.00</u>	<u>10,862,459.29</u>	<u>(1,189,747.62)</u>	-10.00%
Net Position					
Net Investment in Capital Assets	37,454,886.14	36,551,305.74	34,273,064.92	903,580.40	2.47%
Restricted	6,960,714.78	6,740,842.68	7,160,689.28	219,872.10	3.26%
Unrestricted (Deficit)	<u>17,112,274.38</u>	<u>15,991,530.54</u>	<u>16,152,419.99</u>	<u>1,120,743.84</u>	7.01%
Total Net Position	<u>\$ 61,527,875.30</u>	<u>\$ 59,283,678.96</u>	<u>\$ 57,586,174.19</u>	<u>\$ 2,244,196.34</u>	3.79%

**Evesham Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
(Unaudited) (Continued)**

FINANCIAL ANALYSIS OF THE AUTHORITY (CONT'D)

Evesham Municipal Utilities Authority
Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30,

	<u>2023</u>	<u>2022</u>	<u>(Restated) 2021</u>	<u>Change from FY 2022 to 2023</u>	
				<u>Amount</u>	<u>%</u>
Operating Revenues:					
Service Charges	\$ 17,198,461.91	\$ 17,249,070.83	\$ 17,032,903.66	\$ (50,608.92)	-0.29%
Connection Fees	1,074,304.13	908,168.06	1,013,857.08	166,136.07	18.29%
OPEB Benefit			7,618,240.94	0.00	100.00%
Lease Revenue	290,748.38	319,139.33	319,139.33	(28,390.95)	
Other Operating Revenues	134,493.64	274,044.04	227,422.09	(139,550.40)	-50.92%
Total Operating Revenues	18,698,008.06	18,750,422.26	26,211,563.10	(52,414.20)	-0.28%
Operating Expenses	11,968,390.49	11,700,209.92	11,015,356.39	268,180.57	2.29%
Major Repairs and Other Expenses	1,049,777.34	1,096,616.23	1,174,139.81	(46,838.89)	-4.27%
Depreciation Expense	3,766,590.22	3,552,129.94	3,481,498.54	214,460.28	6.04%
Total Operating Expenses	16,784,758.05	16,348,956.09	15,670,994.74	435,801.96	2.67%
Operating Income (Loss)	1,913,250.01	2,401,466.17	10,540,568.36	(488,216.16)	-20.33%
Non-Operating Revenues (Expenses)					
Investment Income	1,351,422.63	108,693.79	110,389.25	1,242,728.84	1143.33%
Change in Fair Value of Investments	(30,295.84)	(63,328.32)	(61,028.07)	33,032.48	-52.16%
Interest Earned on Leases	251,021.89	277,899.61	301,222.79	(26,877.72)	-9.67%
Bond and Loan Interest	(730,037.92)	(797,533.12)	(818,037.80)	67,495.20	-8.46%
Municipal Appropriation	(803,000.00)	(799,000.00)	(779,000.00)	(4,000.00)	0.50%
Cost of Issuance	(1,373.50)	(25,161.36)	(81,281.00)	23,787.86	-94.54%
Loss on Disposal of Capital Assets	(793.53)			(793.53)	---
Total Non-Operating Revenues (Expenses)	36,943.73	(1,298,429.40)	(1,327,734.83)	1,335,373.13	-102.85%
Contributions-Capital Assets	294,002.60	594,468.00	149,997.00	(300,465.40)	-50.54%
Change in Net Position	2,244,196.34	1,697,504.77	9,362,830.53	546,691.57	32.21%
Net Position, Beginning of Year	59,283,678.96	57,586,174.19	48,223,343.66	1,697,504.77	2.95%
Net Position, End of Year	\$ 61,527,875.30	\$ 59,283,678.96	\$ 57,586,174.19	\$ 2,244,196.34	3.79%

The Authority had operating income of \$1,913,250.01 for the current fiscal year.

**Evesham Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
(Unaudited) (Continued)**

OVERALL ANALYSIS

Overall, the Authority is in a sound financial position due, in part, to the long-term goal to eliminate its reliance on connection fees to meet its annual operating expenses. The connection fees realized in FY 2023 were \$1,074,304.13, which was consistent with our FY 2022 amount. The realized connection fees were used to partially offset the capital budget. The rates also support a contribution of 5% of the Authority's annual operating budget to the Township pursuant P.L. 2004, Chapter 87. The Township has continued to request this annual contribution since 2010. The Authority also monitors its service charge rate structure on an annual basis, making adjustments to the rate structure as necessary. This results in gradual, predictable rate increases, which support the Authority's operations, allows for routine maintenance, capital expense repairs and capital improvement projects. The Authority implemented a Financial Model during FY 2018 for use in rate projection modeling, cash flow and future debt management. The information collected through the financial model continues to assist the Authority in establishing practices and policies regarding available and planned cash reserves for emergent projects as well as long-term planned capital improvement projects.

BUDGET VARIANCES

The Authority expended 80.40% of its \$14,503,850.00 operating budget with no major variances except the revenue lines for water and sewer service charges, water and sewer connection fees, miscellaneous revenue, and expense lines for water and sewer salaries & wages, water and sewer fringe benefits, water and sewer vehicle lease program. The percentage of the amount expended to the amount budgeted is similar when compared to past years.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

During the current fiscal year, the Authority paid \$6,833,870.24 from its General, Renewal and Replacement, and Construction Fund accounts for capital activities. \$1,049,777.34 was classified as repairs and charged as operating expenses. The remaining \$5,784,092.90 was capitalized as either construction in progress or capital assets related to various projects.

**Evesham Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
(Unaudited) (Continued)**

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY (CONT'D)

Locust Avenue Pump Station Upgrade: The Authority completed the Locust Avenue Pumping Station Rehabilitation project in 2020. This pumping station was nearly 50 years old and had reached the end of its useful life. The improvements include a new wet well, pumps, electrical systems, a Dri-Prime diesel backup pump, site improvements, landscaping and fencing. This project is necessary to prevent possible overflows due to aged equipment. The cost for this project was \$1.24 million and was financed through the New Jersey Infrastructure Bank (NJIB).

Elmwood WWTP Resiliency Improvements: The resiliency improvements at Elmwood were designed to install protective measures to prevent flooding during 500 - year storm events. Several buildings and treatment processes have been overcome by flood waters in the past. This project included installing barriers to prevent such flooding, to ensure that proper treatment of raw wastewater can still be achieved during flood events. The project was completed in 2022 at a cost of \$436,474.00. The Authority used capital reserves to finance this project.

Elmwood WWTP Tertiary Filter Rehabilitation: This project scope was to convert the existing mixed media, traveling bridge tertiary filters to rotating disc filters. The existing tertiary filters were constructed in 1989 and were nearing the end of their useful life. It is expected that the disc filters will reduce energy and backwash water requirements while improving effluent quality. This project was completed in 2022 at a cost of \$2.196 million and was funded through the Authority's capital reserves.

Route 70 Sewer Rehabilitation: The Route 70 Sewer Rehabilitation project was completed in 2023. This project included installing Cured in Place Pipe (CIPP) lines, improving approximately 4,600 linear feet of 8" diameter asbestos cement pipe. The pipe was approximately 50 years old and video inspections revealed significant deterioration of the internal pipe material. The CIPP liner will restore the structural integrity of the existing asbestos cement pipe. The cost for this project was \$478,442.00 and was financed through the Authority's capital reserves.

**Evesham Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
(Unaudited) (Continued)**

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY (CONT'D)

Elmwood Plant Ultraviolet (UV) Disinfection System: The Authority is currently in the process of replacing its sodium hypochlorite disinfection system with an ultraviolet (UV) disinfection system at the Elmwood WWTP. This conversion is necessary due to a limitation included with the most recent NJPDES permit for the plant, which limits the maximum concentration of bromodichloromethane (BDCM). BDCM is a byproduct created by the interaction of chlorine with bromine. Converting to a UV disinfection process will eliminate the presence of chlorine in the discharge. This project is currently in design and is a cash project to be paid from the Authority's capital reserves at an anticipated cost of \$870,000.00.

Elmwood Plant Storage Building: Planning and design for a new storage building to be located at the Elmwood Plant is almost complete. It is anticipated that this project will go out to bid in the next fiscal year. The proposed building will be pre-engineered and measure approximately 4,000 square feet. It will provide space for the storage of vehicles, equipment and spare parts. This is a cash project to be paid from the Authority's capital reserves and has an anticipated cost of \$1.2 million.

Cinelli Farms Lift Station Rehabilitation: The Cinelli Farms Lift Station rehabilitation project is currently in the planning and design phase. The proposed improvements include new wet well mounted submersible pumps, abandonment of the existing dry well, installation of SCADA based telemetry and construction of a small building for the electrical controls. The Authority will use its capital reserves to finance this project, which has an anticipated cost of \$1.36 million.

The Authority continues to identify and make improvements to its water system, as part of its continued capital improvement plan. It was determined that financing through the issuance of revenue bonds was the most prudent option and the Authority closed on the 2019 Revenue Bonds in 2019. Planned Projects utilizing the proceeds from the 2019 revenue bonds include water main replacements and Well 7 building upgrades.

**Evesham Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
(Unaudited) (Continued)**

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY (CONT'D)

Water Main Replacements:

The Authority has identified several areas throughout the Township in need of water main replacements due to their age, type of material and size of the main on Knox Boulevard and within the entire Heritage Village Development. The existing water mains were approximately 60 years old and near the end of their useful life. They were mostly asbestos cement pipe and some were undersized (6") according to current standards. The main are being replaced with 8" PVC to bring them up to current standards. Construction was completed in FY 2022 on Knox Blvd and for Phase 1 (of 3) in Heritage Village. The costs were \$2.1 million for Knox Blvd. and \$2.36 million for Phase 1 in Heritage Village. Phase 2 (2 of 3) for water main replacement in Heritage Village was completed in 2023 at a cost of \$3.3 million and the final phase (Phase 3) is currently under construction, with an anticipated cost of \$3 million. The Authority also replaced the water mains on portions of Woodlake Drive within the Kings Grant Development at a cost of \$345,657.00. These mains were originally constructed in the early 1980's from a variety of materials, including copper and were failing prematurely. Many of the copper mains were undersized (3") according to current standards. The water mains were replaced with 6" PVC to bring them up to current standards. The water main replacement project also included the relocation of some water services on East Main Street from an older 6" asbestos cement water main to a newer 12" ductile iron water main, which improved system reliability and increase available flows at a cost of \$71,606.00.

We continue to replace smaller sections of water mains wherever isolated failure occurs frequently and/or prematurely. Defense Drive in the Ravens Cliff development is one example where highly corrosive soils in the Northern area of Evesham caused pitting and subsequent pipe failure requiring partial or sectional replacement at a cost of \$112,402.00. The Authority replaced the water main on Greenbrook Drive from Carlton Avenue to Evesboro-Medford Road in 2021. This area of main had been experiencing several water main breaks. To ensure continued public safety and water quality, the old cast iron mains were replaced with C900 PVC water main along with the installation of new valves and fire hydrants. The cost for this project was \$345,637.00. These smaller water main replacement projects were financed through the Authority's capital reserves.

**Evesham Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
(Unaudited) (Continued)**

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY (CONT'D)

Water Main Replacements:

Route 70 Water Main Replacement: The replacement of 3,100 LF of older cast iron water mains with 8" PVC, while relocating them out of the traffic lane on Route 70 is currently in the planning and design phase. The anticipated cost for this project is \$1,110,000.00. The Authority plans to utilize funds from the 2019 Revenue Bonds to finance this project.

Country Farms Water Main Replacement Project: The Authority continues its water main replacement program within the Country Farms development. The proposed improvements include replacement of approximately 2,780 linear feet of six, eight and ten inch DIP water main with eight inch PVC water main replacement on streets within the Country Farms development, identified as experiencing higher than average water main breaks in the past several years. This project is currently in design and anticipates construction to commence in 2024 with an anticipated cost of \$1.3 million. The Authority plans to utilize proceeds from the 2019 Revenue Bonds to finance this project.

Well 7 Building: A new building was constructed, which houses the well head, which was previously exposed, an emergency generator, upgraded chemical feed systems with improved safety/security features and telemetry equipment with connectivity to our existing SCADA system. This project was completed in 2023 at a cost of \$2.3 million.

Well 6 Building/Redrill: The Authority awarded two contracts for the Well 6 re-drilling and new building in 2022. The improvements include removal and inspection of the well pump with repairs and replacements as required, removal of all sand, gravel and sediment from the well, installation of a new inner casing and screen, redrilling and development of the well and return of the well to service. The anticipated cost for this project is \$1,049,450.00 and will be financed through the Authority's capital reserves.

**Evesham Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
(Unaudited) (Continued)**

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY (CONT'D)

The proposed FY 2024 Capital Budget and five-year Capital Program are \$18,701,560.00 and \$45,184,900.00, respectively. The following major line items make up the FY 2024 Capital Budget:

• Water/Sewer Main Replacement	\$ 6,724,000.00
• Wells, Tanks and Towers	1,497,000.00
• Storage Building at Elmwood Plant	1,200,000.00
• Lift Station Rehabilitation	2,122,560.00
• Equipment	860,000.00
• Treatment Plant Improvements	5,625,000.00
• Water Meters	350,000.00

These projects are currently underway at different stages in the process. The timing and amounts spent on these projects are contingent on the progress of the work and State approvals.

Looking at the five-year Capital Program, the following projects should be mentioned:

• Lift Station Rehabilitation	FY 25-28	\$ 9,146,400.00
• Water/Sewer Main Replacement	FY 25-28	17,479,000.00
• Wells, Tanks and Towers	FY 25-28	6,080,000.00

The Authority continues to assess underground infrastructure through the use of television cameras in the pipes to gather data on their condition. Type and age of the pipe and the soil conditions are used to determine an ongoing schedule of assessment and capital improvement planning for the next 5-20 years.

The Authority has identified a suitable location to construct a water storage tank to serve the south side water system as directed by the NJDEP. NJDEP regulations require that sufficient water for firefighting purposes be stored in an elevated tank to provide adequate volume and pressure by gravity in case of power failure. The projected costs to construct the tank and acquire suitable land for construction is projected to be \$3 million. The timing of this project is contingent on State and Pinelands approvals.

**Evesham Municipal Utilities Authority
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
(Unaudited) (Continued)**

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY (CONT'D)

The Authority continues with the development of a comprehensive asset management plan. Inventory of all assets are registered to GIS followed by condition assessment. Condition assessment can be obtained through direct and/or indirect methods. Probability of failure is determined from the condition found or estimated and the consequence of failure is evaluated which assigns criticality for repair, rehabilitation or replacement considering economic, environmental and social costs/benefits.

The Authority intends to upgrade at least one sewer pump station per year for the next 12 years which will replace the existing \geq 50-year aged infrastructure with added operational efficiencies, safety and security enhancements and increased reliability with redundant features for failsafe operation. This can be accomplished without taking on new debt as the Authority has accumulated enough net position in the sewer utility to fund these needed improvements. The Cinelli Farms Lift Station is the first lift station to be upgraded with this project currently in design.

These are essential projects that will have an effect on the operation of our water and sewer facilities and must be included as part of the capital budget.

Although the Authority does not operate under any debt limitations, it is required to receive approval from the Local Finance Board prior to issuing any debt. In Fiscal Year 2020, the Authority issued Revenue Bonds, Series 2019 totaling \$16,230,000.00. The bond proceeds were used to finance the costs of certain water main replacements, a new well building and pay costs associated with the issuance of the bonds. At June 30, 2023, the Authority had debt outstanding totaling \$27,139,388.79.

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial report is designed to provide New Jersey, and Evesham Township residents in particular, 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 Authority at 100 Sharp Road, P.O. Box 467, Marlton, New Jersey 08053 or by telephone at (856) 983-1878.

BASIC FINANCIAL STATEMENTS

EVESHAM MUNICIPAL UTILITIES AUTHORITY
Comparative Statements of Net Position
As of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Unrestricted Assets:		
Revenue/Operating Account:		
Cash and Cash Equivalents	\$ 4,301,300.49	\$ 4,126,868.38
General Account:		
Cash and Cash Equivalents	22,044,044.67	19,140,430.60
Consumer Accounts Receivable	1,491,082.00	1,753,211.42
Other Accounts Receivable	50,129.03	67,142.13
Lease Receivable	5,529,369.82	5,410,767.21
Prepaid Expenses	1,102,439.82	1,060,548.70
	<hr/>	<hr/>
Total Unrestricted Assets	34,518,365.83	31,558,968.44
Restricted Assets:		
Bond Service Account:		
Cash and Cash Equivalents	2,033,276.91	2,523,934.81
Accrued Interest Receivable	34,298.63	34,238.37
Bond Service Reserve Account:		
Cash and Cash Equivalents	1,565,431.27	2,032,972.41
Investments	52,383.92	153,439.22
Accrued Interest Receivable	217.77	609.26
Renewal and Replacement Account:		
Cash and Cash Equivalents	1,000,000.00	1,000,000.00
Investments	497,042.85	526,958.55
Accrued Interest Receivable	2,083.33	2,083.33
Construction Account:		
Cash and Cash Equivalents	7,623,583.00	11,186,001.88
Other Accounts:		
Cash and Cash Equivalents	2,189,085.60	2,234,551.58
	<hr/>	<hr/>
Total Restricted Assets	14,997,403.28	19,694,789.41
Capital Assets:		
Construction in Progress	5,788,447.72	2,859,185.35
Completed (Net of Accumulated Depreciation)	51,182,244.21	51,765,980.10
	<hr/>	<hr/>
Total Capital Assets	56,970,691.93	54,625,165.45
	<hr/>	<hr/>
Total Assets	106,486,461.04	105,878,923.30
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pension	1,583,840.00	1,384,414.00
Related to Other Post Employment Benefits	8,828,608.43	10,283,890.40
	<hr/>	<hr/>
Total Deferred Outflows of Resources	10,412,448.43	11,668,304.40
	<hr/>	<hr/>

(Continued)

EVESHAM MUNICIPAL UTILITIES AUTHORITY
Comparative Statements of Net Position
As of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable--Operations	\$ 358,553.48	\$ 499,230.52
Accounts Payable--Related to Pensions	595,298.00	553,880.00
Prepaid Rental Charges	173,462.98	98,110.58
Prepaid Antenna Rental Charges	34,006.80	32,387.43
	<hr/>	<hr/>
Total Current Liabilities Payable from Unrestricted Assets	1,161,321.26	1,183,608.53
Current Liabilities Payable from Restricted Assets:		
Accounts Payable	-	14,100.00
Revenue Bonds Payable - Current Portion	425,000.00	945,000.00
New Jersey Environmental Infrastructure Loan Payable - Current Portion	1,135,949.80	1,115,669.96
Compensated Absences	53,897.70	55,156.39
Accrued Bond Interest Payable	394,921.00	428,667.98
Escrow Deposits	26,677.67	33,114.77
	<hr/>	<hr/>
Total Current Liabilities Payable from Restricted Assets	2,036,446.17	2,591,709.10
Long-term Liabilities:		
Revenue Bonds Payable	17,459,075.43	17,937,613.93
New Jersey Environmental Infrastructure Loan Payable	8,119,363.56	9,261,577.70
Related to Pensions	7,193,705.00	5,514,721.00
Other Post Employment Benefits Obligation	8,207,386.00	9,379,506.00
Compensated Absences	485,079.37	496,407.48
	<hr/>	<hr/>
Total Long-term Liabilities	41,464,609.36	42,589,826.11
	<hr/>	<hr/>
Total Liabilities	44,662,376.79	46,365,143.74
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	1,570,775.00	4,071,220.00
Related to Other Post Employment Benefits	4,624,147.00	3,620,269.00
Related to Leases	2,662,138.86	2,313,240.59
Unearned Revenue	1,851,596.52	1,893,675.41
	<hr/>	<hr/>
Total Deferred Inflows of Resources	10,708,657.38	11,898,405.00
NET POSITION		
Restricted for:		
Bond Covenants:		
Debt Service Reserve Requirement	1,615,002.28	1,614,880.18
System Reserve Requirement	1,500,000.00	1,500,000.00
Operating Requirement	3,845,712.50	3,625,962.50
Net Investment in Capital Assets	37,454,886.14	36,551,305.74
Unrestricted	17,112,274.38	15,991,530.54
	<hr/>	<hr/>
Total Net Position	\$ 61,527,875.30	\$ 59,283,678.96

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

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Comparative Statements of Revenues, Expenses and Changes in Net Position
 For the Fiscal Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Service Charges	\$ 17,198,461.91	\$ 17,249,070.83
Connection Fees	1,074,304.13	908,168.06
Lease Revenue	290,748.38	319,139.33
Miscellaneous Charges	134,493.64	274,044.04
	<hr/>	<hr/>
Total Operating Revenues	18,698,008.06	18,750,422.26
Operating Expenses:		
Administrative Expenses:		
Salaries and Wages	753,179.78	568,056.03
Fringe Benefits	182,336.94	117,994.81
Other	613,955.21	624,002.49
	<hr/>	<hr/>
	1,549,471.93	1,310,053.33
Cost of Service:		
Salaries and Wages	3,311,673.78	3,393,418.67
Fringe Benefits	1,901,046.45	1,887,765.65
Other	5,206,198.33	5,108,972.27
	<hr/>	<hr/>
	10,418,918.56	10,390,156.59
Major Repairs and Other Expenses	1,049,777.34	1,096,616.23
Depreciation	3,766,590.22	3,552,129.94
	<hr/>	<hr/>
Total Operating Expenses	16,784,758.05	16,348,956.09
Operating Income	<hr/>	<hr/>
	1,913,250.01	2,401,466.17
Non-operating Revenue (Expenses):		
Investment Income:		
Interest Revenue	1,351,422.63	108,693.79
Change in Fair Value of Investments	(30,295.84)	(63,328.32)
	<hr/>	<hr/>
Total Investment Income	1,321,126.79	45,365.47
Interest Earned on Leases	251,021.89	277,899.61
Bond and Loan Interest	(730,037.92)	(797,533.12)
Municipal Appropriation	(803,000.00)	(799,000.00)
Loss on Disposal of Capital Assets	(793.53)	
Cost of Issuance	(1,373.50)	(25,161.36)
	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	36,943.73	(1,298,429.40)
Income Before Contributions (Carried Forward)	<hr/>	<hr/>
	1,950,193.74	1,103,036.77

(Continued)

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Comparative Statements of Revenues, Expenses and Changes in Net Position
 For the Fiscal Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Income Before Contributions (Brought Forward)	\$ 1,950,193.74	\$ 1,103,036.77
Contributions:		
Developers	294,002.60	594,468.00
Change in Net Position	2,244,196.34	1,697,504.77
Net Position, Beginning of Year	59,283,678.96	57,586,174.19
Net Position, End of Year:		
Restricted	\$ 6,960,714.78	\$ 6,740,842.68
Unrestricted	\$ 17,112,274.38	\$ 15,991,530.54
Net Investment in Capital Assets	\$ 37,454,886.14	\$ 36,551,305.74

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

EVESHAM MUNICIPAL UTILITIES AUTHORITY
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 19,716,361.67	\$ 19,814,071.23
Payments to Suppliers	(10,053,041.64)	(9,406,763.44)
Payments to Employees	(4,064,853.56)	(3,961,474.70)
Other Operating Receipts	966,066.75	883,144.75
	6,564,533.22	7,328,977.84
Cash Flows from Capital and Related Financing Activities:		
Capital Aquisitions	(5,784,092.90)	(4,416,738.65)
Financed Purchase		(420,860.50)
Bond Issue Costs	(1,373.50)	(25,161.36)
Debt Service:		
Principal	(2,060,669.96)	(1,959,447.23)
Interest	(823,587.74)	(869,853.65)
	(8,669,724.10)	(7,692,061.39)
Cash Flows from Non-Capital Financing Activities:		
Municipal Appropriation	(803,000.00)	(799,000.00)
	(803,000.00)	(799,000.00)
Cash Flows from Investing Activities:		
Investment Income	1,319,478.00	108,752.96
Sales and Maturities of Investments	100,675.16	459,432.59
	1,420,153.16	568,185.55
Net Change in Cash and Cash Equivalents	(1,488,037.72)	(593,898.00)
Cash and Cash Equivalents--July 1	42,244,759.66	42,838,657.66
Cash and Cash Equivalents--June 30	\$ 40,756,721.94	\$ 42,244,759.66
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ 1,913,250.01	\$ 2,401,466.17
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	3,766,590.22	3,552,129.94
Pension Liability Expense (Benefit) - GASB 68	(979,469.00)	(1,035,965.00)
Other Post Employment Benefits Liability Expense - GASB 75	1,287,039.97	1,370,540.54
Leases - GASB 87	597,381.29	(310,872.62)
Change in Assets and Liabilities:		
(Increase) Decrease in Consumer Accounts Receivable	262,129.42	(372,486.01)
(Increase) Decrease in Other Accounts Receivable	17,013.10	31,736.93
(Increase) Decrease in Lease Receivable	(118,602.61)	561,927.36
(Increase) Decrease in Prepaid Expenses	(41,891.12)	(5,825.59)
Increase (Decrease) in Accounts Payable	(154,777.04)	150,847.81
Increase (Decrease) in Prepaid Rents	75,352.40	19,730.97
Increase (Decrease) in Prepaid Antenna Rents	1,619.37	1,542.25
Increase (Decrease) in Escrow Deposits	(6,437.10)	(2,882.53)
Increase (Decrease) in Compensated Absences Payable	(12,586.80)	(5,641.42)
Increase (Decrease) in Connection Fee Deposits	(42,078.89)	972,729.04
	\$ 6,564,533.22	\$ 7,328,977.84

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

EVESHAM MUNICIPAL UTILITIES AUTHORITY
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Evesham 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. The Authority was granted its franchise area consisting entirely of the Township of Evesham when it was first established as the Evesham Sewerage Authority on April 7, 1955. The Authority was reorganized on March 3, 1959 as the Evesham Municipal Utilities Authority, by ordinance of the Township Committee.

The Authority was created for the purpose of constructing, maintaining and operating water supply and distribution and sewerage collection and treatment 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 provides water supply and sewerage collection and treatment service to all residences and businesses within the Township of Evesham. The Authority also collects a connection fee for new hook-ups to the existing system.

The Authority Board consists of five members and two alternates, who are appointed by Township resolution for staggered, five-year terms. The daily operations of the Authority are managed by the Executive Director.

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 Evesham.

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

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

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 debt principal. Depreciation expense, bond issue costs, and the annual required contribution for the Authority's pension and other postemployment benefits plan are not included in the budget appropriations.

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

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 did not adopt an amending budget resolution during the fiscal year.

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.

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

Inventory consists principally of chemicals for the treatment of water, sewerage and sludge and is valued at cost. The Authority has determined that the inventories are immaterial and are not recorded in the financial statements.

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.

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.

Capital Assets

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Assets purchased prior to June 30, 1993 are stated at estimated cost. Assets purchased since are stated at actual 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.

Expenditures are capitalized when they meet the following requirements:

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

Amortization and Depreciation

Amortization on lease 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>
Buildings	40
Fixed and Major Moveable Equipment	5-15
Vehicles	7
Infrastructure	40

Bond Premiums

Bond premiums arising from the issuance of long-term debt (bonds) 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 premiums are presented as an adjustment of the face amount on the bonds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows of Resources 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, connection 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.

The Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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 distribution 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 leases, various interest-bearing accounts and investments in debt securities.

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

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. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The adoption of this Statement had no impact on the Authority's financial statements.

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.

Recently Issued Accounting Pronouncements

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

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 were effective immediately. The requirements related to leases, PPPs, and SBITAs became effective this year. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will become effective for the Authority in the fiscal year ending June 30, 2024. Management does not expect this Statement will have an impact on the financial statements.

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 June 30, 2024. Management does not expect this Statement will have an impact on the financial statements.

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

The GASB has issued the following Statements which will become effective in future fiscal years (cont'd):

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 June 30, 2025. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

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 25, 1990 (Amended August 1, 1990). On August 2, 1995, July 10, 1996, November 10, 1999, October 16, 2002, February 4, 2004, August 3, 2011 and March 7, 2012, the Authority adopted Supplemental Bond Resolutions, which amended the 1990 Bond Resolution. A summary of the activities of each account created by the 1990 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, on the first day of each month, shall make payments into the other accounts to satisfy bond resolution or operating requirements.

Operating Account - The balance on deposit must be equal to at least 25% of the annual appropriation for operating expenses. At June 30, 2023, the balance in the operating account meets the requirements of the Bond Resolution.

Bond Service Account - This account is maintained to pay maturing interest and principal on the 2004 Series A Revenue Bonds, the 2011 Series A Revenue Bonds, the 2012 Series A Revenue Bonds, 2019 Series A Revenue Bonds, and the Authority's New Jersey Environmental Infrastructure Trust Fund Loans. The balance on deposit must be sufficient to enable the Trustee to withdraw amounts equal to interest due on bonds, principal amount maturing on bonds and sinking fund installments when such payments are required. At June 30, 2023, the balance in the account meets the requirements of the bond resolution.

Bond 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 June 30, 2023, the balance in the account meets the requirements of the bond resolution.

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. Funds on deposit must be equal to the System Reserve Requirement, currently established by the Bond Resolution at \$1,500,000.00. At June 30, 2023, the balance in the account meets the requirements of the bond resolution.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)

Construction Account - This account was established in accordance with Section 602 of the Bond Resolution and amended by Section 304(a) of the March 28, 2001 Supplemental Bond Resolution. 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 Revenue Bonds.

General Account - All excess funds of the Authority are recorded in the General Account. 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.

Debt Service Coverage

The net revenues for the current fiscal year were 399% of the annual debt service for the current bond year ending June 30, 2023. The Authority's Bond Resolution requires that net revenues equal at least 105% of debt service for any such year. Net revenues and debt service coverage is calculated as follows:

	<u>2023</u>	<u>2022</u>
Net Revenue:		
Operating Income (Exhibit B)	\$1,913,250.01	\$2,401,466.17
Add: Depreciation Expense	3,766,590.22	3,552,129.94
OPEB (Benefit) Expense (GASB 75)	1,287,039.97	1,370,540.54
Major Repairs & Other Expenses	1,049,777.34	1,096,616.23
Interest Revenue	<u>1,351,422.63</u>	<u>108,693.79</u>
Net Revenues	<u>\$9,368,080.17</u>	<u>\$8,529,446.67</u>
Debt Service:		
Bond Principal	\$1,560,949.80	\$2,060,669.96
Interest Expense:		
Interest Accrued	730,037.92	797,534.14
Amortization	<u>59,802.84</u>	<u>59,802.84</u>
Debt Service	<u>\$2,350,790.56</u>	<u>\$2,918,006.94</u>
Net Revenues	9,368,080.17	8,529,446.67
Debt Service	<u>2,350,790.56</u> =399%	<u>2,918,006.94</u> =292%

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 following schedule.

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

As of June 30, 2023 and 2022, the Authority's bank balances were exposed to custodial credit risk as follows:

	June 30,	
	<u>2023</u>	<u>2022</u>
Insured by F.D.I.C.	\$ 250,000.63	\$ 250,000.63
Insured by GUDPA	3,656,412.94	3,863,742.91
Uninsured and Uncollateralized	37,691,319.62	39,199,702.05
	<u>\$ 41,597,733.19</u>	<u>\$ 43,313,445.59</u>

Investments

New Jersey authorities are limited as to the types of investments and types of financial institutions they may utilize for investing. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey authorities. 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 other obligations of the local unit or units within which the Authority is located, bonds or other obligations approved by the Division of Investment in the Department of Treasury for investment by authorities, 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. The Authority has no investment policy that would further limit its investment choices.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority has no investment policy to limit its exposure to custodial credit risk. All of the Authority's \$549,426.77 as of June 30, 2023 and \$680,397.77 as of June 30, 2022 investments in Treasury obligations are held in the name of the Authority.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority's investment policies place no limit on the amount the Authority may invest in any one issuer. For the fiscal year ended June 30, 2023, more than 5.0% of the Authority's investments were held with Government National Mortgage Association (99.79%) and Federal Home Loan Mortgage Corporation (0.21%). For the fiscal year ended June 30, 2022, more than 5.0% of the Authority's investments were held with Government National Mortgage Association (97.96%) and Federal Home Loan Mortgage Corporation (2.04%).

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Investments (Cont'd)****Concentration of Credit Risk (Cont'd)**

As of June 30, 2023 the Authority had the following investments:

<u>Investment</u>	<u>Rating</u>	<u>Maturities</u>	<u>Fair Value Hierarchy Level *</u>	<u>Fair Value</u>
G.N.M.A. GTD Remic 09-46	AAA	2/20/2039	Level 1	\$ 548,251.11
F.H.L.M.C. Pool #4185	AAA	3/15/2043	Level 1	1,175.66
				<u>\$ 549,426.77</u>

As of June 30, 2022 the Authority had the following investments:

<u>Investment</u>	<u>Rating</u>	<u>Maturities</u>	<u>Fair Value Hierarchy Level *</u>	<u>Fair Value</u>
G.N.M.A. GTD Remic 09-46	AAA	2/20/2039	Level 1	\$ 666,506.67
F.H.L.M.C. Pool #4402	AAA	4/15/2043	Level 1	12,624.76
F.H.L.M.C. Pool #4185	AAA	3/15/2043	Level 1	1,266.34
				<u>\$ 680,397.77</u>

* Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

Level 3 inputs are unobservable inputs for the asset; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As stated in note 1, investments are purchased in accordance with N.J.S.A. 40A:5-15.1. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Authority has no investment policy that would further limit its exposure to credit risk.

Note 3: DETAIL NOTES – ASSETS (CONT'D)**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>
2023	\$1,753,211.42	\$17,198,461.91	\$17,460,591.33	92.13%
2022	1,380,725.41	17,249,070.83	16,876,584.82	90.59%
2021	1,053,636.05	17,032,903.66	16,705,814.30	92.37%

Leases Receivable

The Authority has entered into multiple agreements with various cellular service providers for the use of the Authority's real property for transmitting and receiving wireless communications. The leases commenced between 1991 and 2023 and range between 15 and 30 years. The terms of each agreement include a fixed monthly payment with annual increases.

The following is a summary of the leases receivable for the fiscal year ended June 30, 2023 and June 30, 2022:

<u>Description</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>	<u>Current Portion</u>
Cell Tower Leases	\$ 5,410,767.21	\$ 639,646.65	\$ 521,044.04	\$ 5,529,369.82	\$ 470,412.29

<u>Description</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>	<u>Current Portion</u>
Cell Tower Leases	\$ 5,972,694.57	\$ -	\$ 561,927.36	\$ 5,410,767.21	\$ 518,044.06

Deferred inflows of resources mirror the principal payment maturities as described above. Deferred inflows of resources related to leases receivable are amortized and recognized as revenue on a straight-line basis over the life of the lease.

Future lease revenues, in total, as of June 30 2023 are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
June 30		
2024	\$ 470,412.29	\$ 251,703.57
2025	434,862.37	229,674.82
2026	478,370.44	209,246.21
2027	524,878.21	186,734.56
2028	574,570.97	161,992.58
2029-2033	2,376,339.63	411,077.47
2034-2038	408,750.47	82,657.35
2039-2043	261,185.44	27,190.19
	<u>\$ 5,529,369.82</u>	<u>\$ 1,560,276.75</u>

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

During fiscal year ended June 30 2023, the Authority recognized \$521,044.04 in a reduction of lease receivable and \$251,021.89 in interest revenue related to leases. In addition, \$290,748.38 was recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

During fiscal year ended June 30 2022, the Authority recognized \$561,927.36 in a reduction of lease receivable and \$277,899.61 in interest revenue related to leases. In addition, \$319,139.33 was recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

Capital Assets

During the fiscal year ended June 30, 2023, the following changes in Capital Assets occurred:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	Balance <u>June 30, 2023</u>
Capital Assets Not Being Depreciated:					
Land	\$ 5,332,318.00	\$ -	\$ -	\$ -	\$ 5,332,318.00
Capital Assets Being Depreciated:					
Buildings	41,604,943.03	2,588,096.42			44,193,039.45
Infrastructure	128,783,922.28	294,002.60			129,077,924.88
Fixed Equipment	18,683,237.70			3,323.10	18,679,914.60
Equipment	2,116,600.48	141,116.30		16,329.52	2,241,387.26
Small Equipment	645,552.88	160,432.54		1,530.32	804,455.10
Vehicles	3,568,035.10				3,568,035.10
Total Capital Assets Being Depreciated	195,402,291.47	3,183,647.86	-	21,182.94	198,564,756.39
Total Capital Assets Completed	200,734,609.47	3,183,647.86	-	21,182.94	203,897,074.39
Less Accumulated Depreciation	148,968,629.37	3,766,590.22		20,389.41	152,714,830.18
Capital Assets Completed, Net	\$ 51,765,980.10	\$ (582,942.36)	\$ -	\$ 793.53	\$ 51,182,244.21

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

During the fiscal year ended June 30, 2022, the following changes in Capital Assets occurred:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>June 30, 2022</u>
Capital Assets Not Being Depreciated:					
Land	\$ 5,332,318.00	\$ -	\$ -	\$ -	\$ 5,332,318.00
Capital Assets Being Depreciated:					
Buildings	55,247,246.36	215,500.00	(13,857,803.33)		41,604,943.03
Infrastructure	106,797,650.66	10,335,101.73	11,651,169.89		128,783,922.28
Fixed Equipment	16,487,659.26		2,206,633.44	11,055.00	18,683,237.70
Equipment	2,531,747.70	278,237.14	(619,098.81)	74,285.55	2,116,600.48
Small Equipment			645,552.88		645,552.88
Vehicles	2,108,570.07	54,996.00	1,612,585.09	208,116.06	3,568,035.10
Financed Purchases - Vehicles	1,639,039.16		(1,639,039.16)		-
Total Capital Assets Being Depreciated	184,811,913.21	10,883,834.87	-	293,456.61	195,402,291.47
Total Capital Assets Completed	190,144,231.21	10,883,834.87	-	293,456.61	200,734,609.47
Less Accumulated Depreciation	145,709,956.04	3,552,129.94		293,456.61	148,968,629.37
Capital Assets Completed, Net	\$ 44,434,275.17	\$ 7,331,704.93	\$ -	\$ -	\$ 51,765,980.10

Depreciation expense by major class of capital assets is:

	<u>Fiscal Year</u>	
	<u>2023</u>	<u>2022</u>
Buildings and Improvements	\$ 856,598.56	\$ 821,184.61
Infrastructure	1,300,794.17	1,228,486.17
Fixed Equipment	1,156,770.58	1,091,805.28
Equipment	83,754.26	66,810.15
Small Equipment	102,974.62	78,832.29
Vehicles	265,698.03	265,011.44
	<u>\$ 3,766,590.22</u>	<u>\$ 3,552,129.94</u>

Note 4: DETAIL NOTES – LIABILITIES**Long-term Liabilities**

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
Bonds, Loans and Note Payable:					
Bonds Payable	\$ 17,620,000.00		\$ (945,000.00)	\$ 16,675,000.00	\$ 425,000.00
NJEIT Loans	10,201,846.00		(1,115,669.96)	9,086,176.04	1,135,949.80
Issuance Premiums	1,438,015.59		(59,802.84)	1,378,212.75	
Total Bonds and Loans Payable	29,259,861.59	\$ -	(2,120,472.80)	27,139,388.79	1,560,949.80
Other Liabilities:					
Net Pension Liability	5,514,721.00	4,681,406.00	(3,002,422.00)	7,193,705.00	
Net OPEB Obligation	9,379,506.00	13,955,325.00	(15,127,445.00)	8,207,386.00	
Compensated Absences	551,563.87	369,702.34	(382,289.14)	538,977.07	53,897.70
Total Other Liabilities	15,445,790.87	19,006,433.34	(18,512,156.14)	15,940,068.07	53,897.70
Total Long-term Liabilities	\$44,705,652.46	\$ 19,006,433.34	\$ (20,632,628.94)	\$43,079,456.86	\$ 1,614,847.50

During the fiscal year ended June 30, 2022, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
Bonds, Loans and Note Payable:					
Bonds Payable	\$ 18,540,000.00		\$ (920,000.00)	\$ 17,620,000.00	\$ 945,000.00
NJEIT Loans	11,241,293.23		(1,039,447.23)	10,201,846.00	1,115,669.96
Issuance Premiums	1,497,818.43		(59,802.84)	1,438,015.59	
Total Bonds and Loans Payable	31,279,111.66	\$ -	(2,019,250.07)	29,259,861.59	2,060,669.96
Other Liabilities:					
Net Pension Liability	8,116,071.00	3,848,598.00	(6,449,948.00)	5,514,721.00	
Net OPEB Obligation	9,300,653.00	15,616,996.00	(15,538,143.00)	9,379,506.00	
Financed Purchases	409,238.14		(409,238.14)	-	
Compensated Absences	557,205.29	370,622.16	(376,263.58)	551,563.87	55,156.39
Total Other Liabilities	18,383,167.43	19,836,216.16	(22,773,592.72)	15,445,790.87	55,156.39
Total Long-term Liabilities	\$49,662,279.09	\$ 19,836,216.16	\$ (24,792,842.79)	\$44,705,652.46	\$ 2,115,826.35

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Revenue Bonds Payable****2011 Series A**

The 2011 Series A Revenue Bonds in the original amount of \$3,655,000.00 were issued by the Authority on November 16, 2011 pursuant to the 2011 Supplemental Bond Resolution. The Bonds carry interest rates ranging from 1.75% to 5.00%.

Proceeds from the 2011 Bonds were used to finance the acquisition, construction, renovation, and/or installation of an infrastructure project consisting of the rehabilitation of a sewerage pump station and the replacement and reconstruction of sewer mains and related improvements, make a deposit to the Bond Reserve Fund and to pay costs of issuing the 2011 Bonds.

2019 Series A

The 2019 Series A Revenue Bonds in the original amount of \$16,230,000.00 were issued by the Authority on October 17, 2019 pursuant to the 2019 Supplemental Bond Resolution. The Bonds carry interest rates ranging from 3.0% to 5.0%.

Proceeds from the 2019 bonds were used to finance the Elmwood WWTP Tertiary Filter Rehabilitation and the Elmwood WWTP Resiliency Improvements.

A summary of maturities on the 2011 and 2019 Revenue Bonds Payable at June 30, 2023 is presented below:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 425,000.00	\$ 607,150.00	\$ 1,032,150.00
2025	445,000.00	586,962.50	1,031,962.50
2026	460,000.00	565,787.50	1,025,787.50
2027	525,000.00	542,768.75	1,067,768.75
2028	400,000.00	265,275.00	665,275.00
2029 - 2033	2,315,000.00	1,168,425.00	3,483,425.00
2034 - 2038	2,845,000.00	902,450.00	3,747,450.00
2039 - 2043	3,450,000.00	604,425.00	4,054,425.00
2044 - 2048	4,025,000.00	318,750.00	4,343,750.00
2049 - 2050	1,785,000.00	40,350.00	1,825,350.00
	<u>16,675,000.00</u>	<u>\$ 5,602,343.75</u>	<u>\$ 22,277,343.75</u>
Add: Premium on Bonds	1,209,075.43		
Less: Current Maturities	<u>425,000.00</u>		
Long-term Portion	<u>\$ 17,459,075.43</u>		

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**New Jersey Environmental Infrastructure Trust / Infrastructure Bank**

In November 2006, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$5,695,000.00 from the Trust and a \$5,699,574.00 from the Fund. The loan proceeds are being used to fund the Kings Grant Sewer Treatment Plant rehabilitation project. As of June 30, 2023, the Authority has drawn all of these funds.

The Fund Loan is a non-interest bearing loan with the first semi-annual principal payment paid July 1, 2007. The Trust Loan carries rates from 4.00% to 5.00%. Both loans have a final maturity of July 1, 2026.

In November 2008, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$1,325,000.00 from the Trust and a \$1,307,340.00 from the Fund. The loan proceeds are being used to fund the Kings Grant Sewer Treatment Plant rehabilitation project. As of June 30, 2023, the Authority has drawn all of these funds.

The Fund Loan is a non-interest bearing loan with the first semi-annual principal payment paid July 1, 2009. The Trust Loan carries rates from 5.00% to 5.50%. Both loans have a final maturity of July 1, 2028.

In November 2009, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$830,588.00 from the Fund and a \$270,000.00 from the Trust. A portion of the Fund loan principal totaling \$553,725.00 was funded by American Recovery Reinvestment Act proceeds and subsequently forgiven. As a result, the Authority is only liable for \$276,863.00 of the Fund loan. The loan proceeds are being used to fund the Kings Grant Infiltration Basin project. As of June 30, 2023, the Authority has drawn all of these funds.

The Fund Loan is a non-interest bearing loan with the first semi-annual principal payment due July 1, 2010. The Trust Loan carries rates from 3.00% to 4.00%. Both loans have a final maturity of July 1, 2029.

In May 2014, the Authority closed on loans from the New Jersey Environmental Infrastructure Trust totaling \$1,050,000.00 from the Trust and a \$3,222,073.00 from the Fund. The loan proceeds are being used to fund the Elmwood / Woodstream SCADA project and the Elmwood / Woodstream Treatment Plant Upgrades for Energy Conservation. As of June 30, 2023, the Authority has drawn all of these funds.

The Fund Loan is a non-interest bearing loan with the first semi-annual principal payment due July 1, 2014. The Trust Loan carries rates from 3.00% to 5.00%. Both loans have a final maturity of July 1, 2033.

In June 2021, the Authority closed on loans from the New Jersey Infrastructure Bank totaling \$2,285,000.00 from the Trust and a \$711,245.00 from the Fund. The loan proceeds are being used to fund costs associated with the Authority's Well No. 13 Disinfection Project. As of June 30, 2023, the Authority has drawn all of these funds.

The Fund Loan is a non-interest bearing loan and the Trust Loan carries rates from 2.00% to 5.00%. Both loans have a final maturity of July 1, 2050.

The following schedule reflects the Debt Service Requirements for the Authority's N.J.E.I.T. / I.B. Loans until 2051.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**New Jersey Environmental Infrastructure Trust / Infrastructure Bank (Cont'd)**

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,135,949.80	\$ 159,688.16	\$ 1,295,637.96
2025	1,159,760.53	131,504.54	1,291,265.07
2026	1,191,351.42	102,928.71	1,294,280.13
2027	1,176,947.35	75,079.60	1,252,026.95
2028	446,886.52	55,542.03	502,428.55
2029 - 2033	1,802,506.89	162,940.71	1,965,447.60
2034 - 2038	704,095.71	78,483.36	782,579.07
2039 - 2043	559,872.70	50,700.00	610,572.70
2044 - 2048	569,872.70	28,068.75	597,941.45
2049 - 2051	338,932.42	5,006.25	343,938.67
	<u>9,086,176.04</u>	<u>\$ 849,942.11</u>	<u>\$ 9,936,118.15</u>
Add: Premium on Loans	169,137.32		
Less: Current Maturities	<u>1,135,949.80</u>		
Long-term Portion	<u>\$ 8,119,363.56</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 with no restrictions. 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, up to a maximum of \$15,000.00. 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 June 30, 2023 and 2022 is estimated at \$538,977.07 and \$551,563.87, respectively.

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 4: 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, Authority employees may 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. 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, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Authority, 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 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.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****General Information about the Pension Plans (Cont'd)****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.

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.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

The Authority's contractually required contribution rate for the fiscal years ended June 30, 2023 and 2022 was 17.34% and 17.90% of the Authority'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, 2022, the Authority's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023, was \$601,112.00, and was payable by April 1, 2023. For the prior year measurement date of June 30, 2021, the Authority's contractually required contribution to the pension plan for the fiscal year ended June 30, 2022, was \$545,172.00, and was paid by April 1, 2022.

Employee contributions to the Plan for the fiscal years ended June 30, 2023 and 2022, were \$261,350.13 and \$255,425.87, respectively.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Authority, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2023 was 0.44% of the Authority's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Authority, to the pension plan for the fiscal year ended June 30, 2023 was \$15,136.00, and was payable 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 Authority contributes 3% of the employees' base salary, for each pay period.

For the fiscal years ended June 30, 2023 and 2022, there were no employees participating in DCRP.

Note 4: 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****Public Employees' Retirement System**

Pension Liability - As of June 30, 2023, the Authority's proportionate share of the PERS net pension liability was \$7,193,705.00. 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 Authority's proportion of the net pension liability was based on a projection of the Authority'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 Authority's proportion was .0476676534%, which was an increase of .0011161679% from its proportion measured as of June 30, 2021.

As of June 30, 2022, the Authority's proportionate share of the PERS net pension liability was \$5,514,721.00. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2021 measurement date, the Authority's proportion was .0465514855%, which was a decrease of .0032178109% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal years ended June 30, 2023 and 2022, the Authority recognized its proportionate share of the PERS pension (benefit) expense of \$(377,988.00) and \$(490,794.00), respectively. These amounts were based on the Plan's June 30, 2022 and 2021 measurement dates, respectively.

For the fiscal year ended June 30, 2023, the Authority 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 Authority, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2022 measurement date. The amounts recognized as a revenue and an expenditure in the financial statements was \$15,136.00.

Note 4: 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 June 30, 2023 and 2022, the Authority had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>June 30, 2023</u>		<u>June 30, 2022</u>	
	Measurement Date		Measurement Date	
	<u>June 30, 2022</u>		<u>June 30, 2021</u>	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>
Differences between Expected and Actual Experience	\$ 51,921.00	\$ 45,787.00	\$ 86,974.00	\$ 39,479.00
Changes of Assumptions	22,288.00	1,077,182.00	28,721.00	1,963,277.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	297,741.00	-	-	1,452,723.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	616,592.00	447,806.00	714,839.00	615,741.00
Contributions Subsequent to the Measurement Date	595,298.00	-	553,880.00	-
	<u>\$ 1,583,840.00</u>	<u>\$ 1,570,775.00</u>	<u>\$ 1,384,414.00</u>	<u>\$ 4,071,220.00</u>

Deferred outflows of resources in the amounts of \$595,298.00 and \$553,880.00 will be included as a reduction of the net pension liability during the fiscal years ending June 30, 2024 and 2023, respectively. These amounts are based on an estimated April 1, 2024 and April 1, 2023 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2022 and 2021 to the Authority's fiscal years end of June 30, 2023 and 2022.

Note 4: 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 Authority will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-
Changes in Proportion		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

Note 4: 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)

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

Fiscal Year Ending <u>June 30,</u>	
2024	\$ (497,640.00)
2025	(223,921.00)
2026	(220,437.00)
2027	358,813.00
2028	952.00
	\$ (582,233.00)
	\$ (582,233.00)

Actuarial Assumptions

Public Employees' Retirement System

The net pension liability was measured as of June 30, 2022 and 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 and 2020. 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 and 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Measurement Date June 30, 2022</u>	<u>Measurement Date June 30, 2021</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.75% - 6.55%	2.00% - 6.00%
	Based on Years of Service	Based on Years of Service
Thereafter		3.00% - 7.00%
		Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2014 - June 30, 2018

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Actuarial Assumptions (Cont'd)****Public Employees' Retirement System (Cont'd)**

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.

For the June 30, 2021 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 4: 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, 2022 and 2021) 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, 2022 and 2021 are summarized in the table below:

<u>Asset Class</u>	<u>Measurement Date</u> <u>June 30, 2022</u>		<u>Measurement Date</u> <u>June 30, 2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.38%	13.50%	8.71%
Emerging Markets Equity	5.50%	10.33%	5.50%	10.96%
Private Equity	13.00%	11.80%	13.00%	11.30%
Real Estate	8.00%	11.19%	8.00%	9.15%
Real Assets	3.00%	7.60%	3.00%	7.40%
High Yield	4.00%	4.95%	2.00%	3.75%
Private Credit	8.00%	8.10%	8.00%	7.60%
Investment Grade Credit	7.00%	3.38%	8.00%	1.68%
Cash Equivalents	4.00%	1.75%	4.00%	0.50%
U.S. Treasuries	4.00%	1.75%	5.00%	0.95%
Risk Mitigation Strategies	3.00%	4.91%	3.00%	3.35%
	<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, 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.

Note 4: 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, 2021. 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 2.16% as of the June 30, 2021 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 Authority'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 Authority'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:

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 9,241,804.00</u>	<u>\$ 7,193,705.00</u>	<u>\$ 5,450,691.00</u>

The following presents the Authority's proportionate share of the net pension liability as of the June 30, 2021 measurement date, calculated using a discount rate of 7.00%, as well as what the Authority'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:

	June 30, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 7,509,932.00</u>	<u>\$ 5,514,721.00</u>	<u>\$ 3,821,502.00</u>

Note 4: 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>.

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.

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.

Note 4: 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 (Cont'd) - The Authority was billed monthly by the Plan and paid \$62,504.43 and \$46,133.40, for the fiscal years ended 2023 and 2022, respectively. These amounts represent 1.82% and 1.37% of the Authority's covered payroll. During the fiscal years ended June 30, 2023 and June 30, 2022, 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 June 30, 2023, the Authority's proportionate share of the net OPEB liability was \$8,207,386.00.

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 Authority'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 Authority's proportion was .050821% which was a decrease of .001577% from its adjusted proportion measured as of the June 30, 2021 measurement date.

At June 30, 2022, the Authority's proportionate share of the net OPEB liability was \$9,379,506.00.

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

The Authority'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, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the Authority's proportion was .052109% which was an increase of .000285% from its proportion measured as of the June 30, 2020 measurement date.

OPEB (Benefit) Expense - At June 30, 2023, the Authority's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date, is \$1,516,933.00.

At June 30, 2022, the Authority's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date, is \$1,578,963.00.

Note 4: 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 #June 30, 2023 and 2022, the Authority had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>June 30, 2023</u>		<u>June 30, 2022</u>	
	<u>Measurement Date</u>		<u>Measurement Date</u>	
	<u>June 30, 2022</u>		<u>June 30, 2021</u>	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>
Differences between Expected and Actual Experience	\$ 423,838.00	\$ 169,040.00	\$ 210,465.00	\$ 1,962,331.00
Changes of Assumptions	1,095,310.00	311,237.00	1,349,270.00	1,657,938.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	2,161.00	-	4,485.00	-
Changes in Proportion	7,244,795.00	541,638.00	8,673,537.00	-
Contributions Subsequent to the Measurement Date	62,504.43	-	46,133.40	-
	<u>\$ 8,828,608.43</u>	<u>\$ 1,021,915.00</u>	<u>\$ 10,283,890.40</u>	<u>\$ 3,620,269.00</u>

Deferred outflows of resources in the amount of \$62,504.43 was the result of the Authority contributions subsequent to the Plan's measurement date of June 30, 2022. This amount will be included as a reduction of the Authority's net OPEB liability during the fiscal year ending June 30, 2024. Deferred outflows of resources in the amount of \$46,133.40 was the result of the Authority contributions subsequent to the Plan's measurement date of June 30, 2021. This amount was included as a reduction of the Authority's net OPEB liability during the fiscal year ending June 30, 2023.

Note 4: 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)**

The Authority 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	-
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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - 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>	
June 30, 2024	\$ 695,313.00
June 30, 2025	694,657.00
June 30, 2026	851,207.00
June 30, 2027	1,176,498.00
June 30, 2028	1,189,288.00
Thereafter	<u>(465,006.00)</u>
	<u>\$ 4,141,957.00</u>

Note 4: 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, 2022 and 2021 used the following actuarial assumptions, applied to all periods in the measurement:

	Measurement Date <u>June 30, 2022</u>	Measurement Date <u>June 30, 2021</u>
Salary Increases *		
PERS:		
Initial Fiscal Year Applied:		
Rate through 2026		2.00% to 6.00%
Rate Thereafter		3.00% to 7.00%
Rate for All Future Years	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, 2014 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members in both the June 30, 2022 and June 30, 2021 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) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Note 4: 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)**

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2022 and 2021 were 3.54% and 2.16%, 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.

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

Fiscal Year <u>Ending</u>	<u>Annual Rate of Increase</u>			
	<u>Medical Trend</u>			<u>Prescription</u>
	<u>Pre-65</u>	<u>PPO Post-65</u>	<u>HMO Post-65</u>	<u>Drug Trend</u>
2023	6.25%	-1.89%	-1.99%	8.00%
2024	6.00%	-6.00%	-6.15%	7.50%
2025	5.75%	6.99%	7.02%	7.00%
2026	5.50%	15.04%	15.18%	6.50%
2027	5.25%	13.00%	13.11%	6.00%
2028	5.00%	11.47%	11.56%	5.50%
2029	4.75%	10.27%	10.35%	5.00%
2030	4.50%	9.29%	9.35%	4.50%
2031	4.50%	8.50%	8.55%	4.50%
2032	4.50%	6.25%	6.27%	4.50%
2033 and Later	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, 2022, the Plan's measurement date, for the Authority 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:

	<u>June 30, 2023</u>		
	<u>1% Decrease</u> <u>(2.54%)</u>	<u>Current Discount Rate</u> <u>(3.54%)</u>	<u>1% Increase</u> <u>(4.54%)</u>
Authority's Proportionate Share of the Net OPEB Liability	\$ 9,514,013.00	\$ 8,207,386.00	\$ 7,156,083.00

Note 4: 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 Discount Rate (Cont'd)**

The net OPEB liability as of June 30, 2021, the Plan's measurement date, for the Authority calculated using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	<u>June 30, 2022</u>		
	<u>1% Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Authority's Proportionate Share of the Net OPEB Liability	<u>\$ 11,037,879.00</u>	<u>\$ 9,379,506.00</u>	<u>\$ 8,065,209.00</u>

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

The Authority'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>June 30, 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>\$ 6,962,573.00</u>	<u>\$ 8,207,386.00</u>	<u>\$ 9,801,641.00</u>

The Authority's proportionate share of the net OPEB liability as of June 30, 2021, 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>June 30, 2022</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>\$ 7,825,667.00</u>	<u>\$ 9,379,506.00</u>	<u>\$ 11,407,074.00</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.

Note 5: 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 6: NET POSITION APPROPRIATED

As of June 30, 2023, the Authority had an unrestricted net position balance of \$17,112,274.38. After adding back pension (GASB 68) and other postemployment benefits (GASB 75), the adjusted unrestricted net position is \$28,295,838.95. Of that amount, \$486,000.00 has been appropriated and included as support in the sewer operating budget, \$9,290,060.00 in the sewer capital budget, \$362,000.00 in the water operating budget and \$1,087,500.00 in the water capital budget for the fiscal year ending June 30, 2024.

As of June 30, 2022, the Authority had an unrestricted net position balance of \$15,991,530.54. After adding back pension (GASB 68) and other postemployment benefits (GASB 75), the adjusted unrestricted net position is \$26,908,942.14. Of that amount, \$456,000.00 has been appropriated and included as support in the sewer operating budget, \$5,938,000.00 in the sewer capital budget, \$347,000.00 in the water operating budget and \$2,366,000.00 in the water capital budget for the fiscal year ending June 30, 2023.

Note 7: DEVELOPERS' PERFORMANCE DEPOSITS

The Authority has accepted cash deposits for several construction projects in lieu of performance bonds. Performance bonds and deposits are required by the Authority to insure the proper completion of a project. If a project is not completed to the satisfaction of the Authority, this money or bond will be used to pay for the corrections needed to meet the Authority's requirements. The Authority has established individual bank accounts for each developer's deposit. The accounts are in the name of the developer and the Authority. The Authority has no right to the deposits or interest earned until the time of developer default. Therefore, the Authority does not record the deposits in its financial statements. The total amount of performance deposits at June 30, 2023 and 2022 were \$332,026.08 and \$153,681.60, respectively.

Note 8: INTERGOVERNMENTAL AGREEMENTS**Major Customer**

In April 1989, the Authority entered into a five-year renewable agreement with the Municipal Utilities Authorities of Willingboro and Mount Laurel. The agreement was renewed in April 1994 for an additional period of five years and has been extended by mutual agreement. The agreement details the purchase of water by the Mount Laurel Township M.U.A. from the Willingboro M.U.A. and the subsequent resale of water by Mount Laurel to the Evesham M.U.A. Evesham M.U.A. is required to purchase a minimum of 50% of the quarterly gallons purchased by the Mount Laurel Township M.U.A., subject to certain daily requirements, if such water is available. Pursuant to the agreement, the Mount Laurel Township M.U.A. has title to all interconnection assets and is responsible for their maintenance, except for any extraordinary repair costs for certain defined areas of the interconnection system which would be shared equally with Evesham M.U.A.

Effective October 2, 2019, the Authority entered into a revised bulk water sale agreement with Mount Laurel Township M.U.A. The term of the agreement is fifteen years, which may be extended for three five-year periods for a total of thirty years. Also, effective October 2, 2019, the Authority entered into a memorandum of understanding with Mount Laurel Township M.U.A. The memorandum provides the terms and rate at which the Authority will purchase Mount Laurel Township M.U.A. water under the bulk water sale agreement, as previously discussed.

Note 8: INTERGOVERNMENTAL AGREEMENTS (CONT'D)**Major Customer (Cont'd)**

The payments for water purchases are deemed to be an operating expense to the Evesham M.U.A. and are appropriately charged to the Authority's budget. The amount paid to Mount Laurel Township M.U.A. for fiscal year 2023 was \$381,423.56 and for fiscal year 2022 was \$337,702.53.

Service Agreement

In June 2000, the Authority entered into a ten-year renewable agreement with New Jersey American Water Company, Inc. (NJAWC) for the supply, delivery and purchase of water. The agreement stipulates that for the initial term ending December 31, 2010, the Authority must purchase 850,000 gallons per day. The purchase requirement remained unchanged until February 1, 2002, when the minimum amount was increased to 1,000,000 gallons per day. The agreement automatically renews for two successive ten-year terms unless the Authority has received final approval from the NJ Department of Environmental Protection for a new source of supply plan naming an alternative supply source other than NJAWC and the Authority provides NJAWC with written notice of termination not later than one year prior to the end of the current term. If the notice of termination is delivered, the Authority's minimum purchase amount would be decreased 20% in each year of the next successive five years. The Authority paid the NJAWC \$1,285,805.23 during the fiscal year 2023 and \$1,007,355.61 during the fiscal year 2022.

Note 9: COMMITMENTS

The Authority had several outstanding or planned construction projects as of June 30, 2023. These projects are evidenced by contractual commitments with contractors and include:

<u>Project</u>	<u>Awarded</u>	<u>Remaining</u>
Insituform Technologies	\$ 359,140.00	\$ 24,100.00
MSP Construction Corp.	2,865,121.00	103,980.53
North American Pipeline Services, LLC	59,636.00	4,874.00
Coastline Construction, LLC	263,280.00	263,280.00
MBE Mark III	198,950.00	173,900.22
A.C. Schultes	720,500.00	154,060.00
Allied Control Services, Inc.	87,340.00	30,053.20
Vortex Services, LLC	394,500.00	110,594.22
R.D. Zeuli	400,000.00	337,873.85
Rio Supply	367,275.00	118,007.74
	<u>\$ 5,715,742.00</u>	<u>\$ 1,320,723.76</u>

Note 10: 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 11: 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.

Note 12: RISK MANAGEMENT

The Authority is a member of the 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
 Crime, which includes Employee Dishonesty
 Environmental Legal Liability

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 reports each year, which may be obtained from:

New Jersey Utility Authorities Joint Insurance Fund
 9 Campus Drive, Suite 216
 Parsippany, NJ 07054-4412

Note 13: 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.

REQUIRED SUPPLEMENTARY INFORMATION

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Required Supplementary Information
 Schedule of the Authority's Proportionate Share
 of the Net OPEB Liability - State Plan
 Last Four Plan Years

	<u>Measurement Date Ended June 30,</u>			
	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>	<u>2019</u>
Authority's Proportion of the Net OPEB Liability	0.050821%	0.052109%	0.051824%	0.040239%
Authority's Proportionate Share of the Net OPEB Liability	\$ 8,207,386.00	\$ 9,431,525.00	\$ 9,300,653.00	\$ 5,450,804.00
Authority's Covered Payroll (Plan Measurement Period)	\$ 3,357,326.00	\$ 3,429,088.00	\$ 3,510,842.00	\$ 3,525,041.00
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	244.46%	275.04%	264.91%	154.63%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.91%	1.98%

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

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.

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

	<u>Fiscal Year Ended June 30,</u>			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Authority's Required Contributions	\$ 62,504.43	\$ 46,133.40	\$ 26,801.94	\$ 8,400.00
Authority's Contributions in Relation to the Required Contribution	<u>(62,504.43)</u>	<u>(46,133.40)</u>	<u>(26,801.94)</u>	<u>(8,400.00)</u>
Authority's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$ 3,433,254.00	\$ 3,357,326.00	\$ 3,429,088.00	\$ 3,510,842.00
Authority's Contributions as a Percentage of Covered Payroll	1.82%	1.37%	0.78%	0.24%

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.

EVESHAM 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.0476676534%	0.0465514855%	0.0497692964%	0.0458221969%	0.0444075852%
Proportionate Share of the Net Pension Liability	\$ 7,193,705.00	\$ 5,514,721.00	\$ 8,116,071.00	\$ 8,256,465.00	\$ 8,743,632.00
Covered Payroll (Plan Measurement Period)	\$ 3,337,832.00	\$ 3,390,144.00	\$ 3,601,516.00	\$ 3,210,964.00	\$ 3,131,212.00
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	215.52%	162.67%	225.35%	257.13%	279.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	Measurement Date Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.0451847012%	0.0433673114%	0.0372569676%	0.0377976045%	0.0375789881%
Proportionate Share of the Net Pension Liability	\$ 10,518,275.00	\$ 12,844,154.00	\$ 8,363,443.00	\$ 7,076,745.00	\$ 7,182,091.00
Covered Payroll (Plan Measurement Period)	\$ 3,191,048.00	\$ 2,942,220.00	\$ 2,613,944.00	\$ 2,417,848.00	\$ 2,483,760.00
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	329.62%	436.55%	319.95%	292.69%	289.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

EVESHAM 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 June 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 595,298.00	\$ 601,112.00	\$ 545,172.00	\$ 544,452.00	\$ 445,715.00
Contributions in Relation to the Contractually Required Contribution	<u>(595,298.00)</u>	<u>(601,112.00)</u>	<u>(545,172.00)</u>	<u>(544,452.00)</u>	<u>(445,715.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Fiscal Year)	\$ 3,433,254.00	\$ 3,357,326.00	\$ 3,429,088.00	\$ 3,510,842.00	\$ 3,525,041.00
Contributions as a Percentage of Covered Payroll	17.34%	17.90%	15.90%	15.51%	12.64%

Fiscal Year Ended June 30,

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 441,712.00	\$ 418,588.00	\$ 385,269.00	\$ 320,310.00	\$ 311,598.00
Contributions in Relation to the Contractually Required Contribution	<u>(441,712.00)</u>	<u>(418,588.00)</u>	<u>(385,269.00)</u>	<u>(320,310.00)</u>	<u>(311,598.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Fiscal Year)	\$ 3,206,614.00	\$ 3,120,562.00	\$ 3,176,925.00	\$ 2,780,469.00	\$ 2,592,134.00
Contributions as a Percentage of Covered Payroll	13.78%	13.41%	12.13%	11.52%	12.02%

EVESHAM MUNICIPAL UTILITIES AUTHORITY
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

Note 1: 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, 2021, which was rolled forward to June 30, 2022, included changes due to employers adopting and /or changing Chapter 48 provisions.

Change in Assumptions:

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

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

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 and updated experience study.

There were no changes to mortality projections.

EVESHAM MUNICIPAL UTILITIES AUTHORITY
Notes to Required Supplementary Information (Cont'd)
For the Fiscal Year Ended June 30, 2023

Note 2: POSTEMPLOYMENT BENEFITS - PENSION**Public Employees' Retirement System (PERS)****Changes in Benefit Terms:**

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes in Assumptions:

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%
2018	5.66%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

SUPPLEMENTAL SCHEDULES

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Net Position by Department
 As of June 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
Unrestricted Assets:			
Revenue/Operating Account:			
Cash and Cash Equivalents		\$ 4,301,300.49	\$ 4,301,300.49
General Account:			
Cash and Cash Equivalents	\$ 7,760,341.59	14,283,703.08	22,044,044.67
Consumer Accounts Receivable	596,972.88	894,109.12	1,491,082.00
Other Accounts Receivable	24,426.48	25,702.56	50,129.03
Lease Receivable	5,529,369.82		5,529,369.82
Prepaid Expenses	399,648.52	702,791.30	1,102,439.82
Total Unrestricted Assets	<u>14,310,759.28</u>	<u>20,207,606.55</u>	<u>34,518,365.83</u>
Restricted Assets:			
Bond Service Account:			
Cash and Cash Equivalents	711,646.92	1,321,629.99	2,033,276.91
Accrued Interest Receivable	12,004.52	22,294.11	34,298.63
Bond Service Reserve Account:			
Cash and Cash Equivalents	547,900.94	1,017,530.33	1,565,431.27
Investments	18,334.37	34,049.55	52,383.92
Accrued Interest Receivable	76.22	141.55	217.77
Renewal and Replacement Account:			
Cash and Cash Equivalents	350,000.00	650,000.00	1,000,000.00
Investments	173,965.00	323,077.85	497,042.85
Accrued Interest Receivable	729.17	1,354.16	2,083.33
Construction Account			
Cash and Cash Equivalents	7,623,583.00		7,623,583.00
Other Accounts:			
Cash and Cash Equivalents	649,506.04	1,539,579.56	2,189,085.60
Total Restricted Assets	<u>10,087,746.19</u>	<u>4,909,657.09</u>	<u>14,997,403.28</u>
Capital Assets:			
Construction in Progress	4,368,073.31	1,420,374.41	5,788,447.72
Completed (Net of Accumulated Depreciation)	19,267,630.40	31,914,613.82	51,182,244.21
Total Capital Assets	<u>23,635,703.71</u>	<u>33,334,988.23</u>	<u>56,970,691.93</u>
Total Assets	<u>48,034,209.19</u>	<u>58,452,251.85</u>	<u>106,486,461.04</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions	554,344.00	1,029,496.00	1,583,840.00
Related to Other Post Employment Benefits	3,090,012.95	5,738,595.48	8,828,608.43
	<u>3,644,356.95</u>	<u>6,768,091.48</u>	<u>10,412,448.43</u>

(Continued)

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Net Position by Department
 As of June 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
LIABILITIES			
Current Liabilities Payable from Unrestricted Assets:			
Accounts Payable--Operations	\$ 231,265.11	\$ 127,288.37	\$ 358,553.48
Accounts Payable--Related to Pensions	208,354.30	386,943.70	595,298.00
Prepaid Rental Charges	60,712.04	112,750.94	173,462.98
Prepaid Antenna Rental Charges	34,006.80		34,006.80
Total Current Liabilities Payable from Unrestricted Assets	534,338.25	626,983.01	1,161,321.26
Current Liabilities Payable from Restricted Assets:			
Revenue Bonds Payable--Current Portion	325,000.00	100,000.00	425,000.00
New Jersey Environmental Infrastructure Loan Payable--Current Portion	48,196.68	1,087,753.12	1,135,949.80
Compensated Absences	23,274.67	30,623.03	53,897.70
Accrued Bonds and Loans Interest Payable	314,820.00	80,101.00	394,921.00
Escrow Deposits		26,677.67	26,677.67
Total Current Liabilities Payable from Restricted Assets	711,291.35	1,325,154.82	2,036,446.17
Long-term Liabilities:			
Revenue Bonds Payable	17,094,297.83	364,777.60	17,459,075.43
New Jersey Environmental Infrastructure Loan Payable	1,815,611.81	6,303,751.75	8,119,363.56
Net Pension Liability	2,517,796.75	4,675,908.25	7,193,705.00
Other Post Employment Benefits Obligation	2,872,585.10	5,334,800.90	8,207,386.00
Compensated Absences	209,472.06	275,607.31	485,079.37
Total Long-term Liabilities	24,509,763.55	16,954,845.81	41,464,609.36
Total Liabilities	25,755,393.15	18,906,983.64	44,662,376.79
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	549,771.25	1,021,003.75	1,570,775.00
Related to Other Post Employment Benefits	1,618,451.45	3,005,695.55	4,624,147.00
Related to Leases	2,662,138.86		2,662,138.86
Deferred Revenue	540,740.75	1,310,855.77	1,851,596.52
	5,371,102.31	5,337,555.07	10,708,657.38
NET POSITION			
Restricted for:			
Bond Covenants:			
Debt Service Reserve Requirement	1,006,469.18	608,533.10	1,615,002.28
System Reserve Requirement	525,000.00	975,000.00	1,500,000.00
Operating Requirement	1,715,381.25	2,130,331.25	3,845,712.50
Net Investment in Capital Assets	11,976,180.39	25,478,705.76	37,454,886.14
Unrestricted	5,329,039.87	11,783,234.51	17,112,274.38
Total Net Position	\$ 20,552,070.68	\$ 40,975,804.62	\$ 61,527,875.30

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenues, Expenses and Changes in Net Position by Department
 For the Fiscal Year Ended June 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues:			
Service Charges	\$ 7,174,456.40	\$ 10,024,005.51	\$ 17,198,461.91
Connection Fees	202,306.88	871,997.25	1,074,304.13
Lease Revenue	290,748.38		290,748.38
Miscellaneous Charges	79,897.84	54,595.80	134,493.64
Total Operating Revenues	7,747,409.50	10,950,598.56	18,698,008.06
Operating Expenses:			
Administrative Expenses:			
Salaries and Wages	376,589.43	376,590.35	753,179.78
Fringe Benefits	97,545.75	84,791.19	182,336.94
Other	285,130.77	328,824.44	613,955.21
	759,265.95	790,205.98	1,549,471.93
Cost of Service:			
Salaries and Wages	1,287,210.38	2,024,463.40	3,311,673.78
Fringe Benefits	621,916.70	1,279,129.75	1,901,046.45
Other	2,764,271.56	2,441,926.77	5,206,198.33
	4,673,398.64	5,745,519.92	10,418,918.56
Major Repairs and Other Expenses	367,422.07	682,355.27	1,049,777.34
Depreciation	1,025,467.67	2,741,122.55	3,766,590.22
Total Operating Expenses	6,825,554.33	9,959,203.72	16,784,758.05
Operating Income	921,855.17	991,394.84	1,913,250.01
Non-operating Revenue (Expenses):			
Investment Income:			
Interest Revenue	468,062.92	883,359.71	1,351,422.63
Change in Fair Value of Investments	(10,603.54)	(19,692.30)	(30,295.84)
Total Investment Income	457,459.38	863,667.41	1,321,126.79
Interest Earned on Leases	251,021.89		251,021.89
Bond and Loan Interest	(577,875.23)	(152,162.69)	(730,037.92)
Municipal Appropriation	(347,000.00)	(456,000.00)	(803,000.00)
Loss on Disposal of Capital Assets	(328.40)	(465.13)	(793.53)
Cost of Issuance	(1,373.50)		(1,373.50)
Total Non-Operating Revenues (Expenses)	(218,095.86)	255,039.59	36,943.73
Income Before Contributions	703,759.31	1,246,434.43	1,950,193.74
Contributions from Developers	176,394.60	117,608.00	294,002.60
Change in Net Position	880,153.91	1,364,042.43	2,244,196.34
Net Position, Beginning of Year	19,671,916.77	39,611,762.19	59,283,678.96
Net Position, End of Year:			
Restricted	\$ 3,246,850.43	\$ 3,713,864.35	\$ 6,960,714.78
Unrestricted	\$ 5,329,039.87	\$ 11,783,234.51	\$ 17,112,274.38
Net Investment in Capital Assets	\$ 11,976,180.39	\$ 25,478,705.76	\$ 37,454,886.14

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Cash Receipts, Cash Disbursements and Changes in Cash and Investments
 For the Fiscal Year Ended June 30, 2023

	Revenue/Operating Accounts	General	Restricted					Connection Fee	Total
			Construction	Bond Reserve	Bond Service	Renewal and Replacement	Planning Escrow		
Cash, Cash Equivalents and Investments July 1, 2022	\$ 4,126,868.38	\$ 19,140,430.60	\$ 11,186,001.88	\$ 2,186,411.63	\$ 2,523,934.81	\$ 1,526,958.55	\$ 33,118.07	\$ 2,201,433.51	\$ 42,925,157.43
Receipts:									
User Charges and Fees:									
Water	7,237,283.34								7,237,283.34
Sewer	10,125,197.41								10,125,197.41
Connection Fee Deposits:									
Water	202,306.88							278,449.84	480,756.72
Sewer	871,997.25							753,775.40	1,625,772.65
Miscellaneous Revenue Receivable:									
Water	810,378.83	1,932.17							812,311.00
Sewer	54,595.80								54,595.80
Prepaid Rents:									
Water	60,712.04								60,712.04
Sewer	112,750.94								112,750.94
Other Accounts Receivable	65,153.15								65,153.15
Prepaid Antenna Rents	34,006.80								34,006.80
Payroll Deductions Payable	1,403,023.44								1,403,023.44
Planning Escrow Deposits							73,888.57		73,888.57
Investment Income	111,704.09	668,032.18	295,422.45	55,232.84	117,199.19	56,518.35	278.02	15,090.88	1,319,478.00
Change in Fair Value of Investments				(380.14)		(29,915.70)			(30,295.84)
Transfers In	692,286.37	3,514,439.50			2,290,500.60	1,697,181.03			8,194,407.50
Total Cash and Investments Available	25,908,264.72	23,324,834.45	11,481,424.33	2,241,264.33	4,931,634.60	3,250,742.23	107,284.66	3,248,749.63	74,494,198.95
Disbursements:									
Budgetary Expenses:									
Water	4,794,931.03								4,794,931.03
Sewer	5,807,374.04								5,807,374.04
Payroll Deductions Payable	1,403,319.18								1,403,319.18
Prepaid Expenses	797,504.29								797,504.29
Accounts Payable	498,714.56		568.40		14,100.00				513,382.96
Municipal Appropriation	803,000.00								803,000.00
Bond Principal					945,000.00				945,000.00
Loan Principal					1,115,669.96				1,115,669.96
Bond and Loan Interest					823,587.74				823,587.74
Capital Outlays:									
Expensed		205,754.29				844,023.05			1,049,777.34
Construction in Progress		998,795.21	3,857,272.93			626,475.92			5,482,544.06
Fixed Assets		74,866.78				226,682.06			301,548.84
Expenditures for Planning Escrow							80,325.67		80,325.67
Cost of Issuance		1,373.50							1,373.50

(Continued)

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Cash Receipts, Cash Disbursements and Changes in Cash and Investments
 For the Fiscal Year Ended June 30, 2023

	Revenue/Operating Accounts	General	Restricted					Connection Fee	Total
			Construction	Bond Reserve	Bond Service	Renewal and Replacement	Planning Escrow		
Disbursements (Cont'd):									
Due to Unrestricted Funds								\$ 1,074,304.13	\$ 1,074,304.13
Transfers Out	\$ 7,502,121.13	\$ -	\$ -	\$ 623,449.14	\$ -	\$ 56,518.35	\$ 227.87	12,091.01	8,194,407.50
Total Disbursements	21,606,964.23	1,280,789.78	\$ 3,857,841.33	623,449.14	2,898,357.70	1,753,699.38	80,553.54	1,086,395.14	33,188,050.24
Cash, Cash Equivalents and Investments June 30, 2023	\$ 4,301,300.49	\$ 22,044,044.67	\$ 7,623,583.00	\$ 1,617,815.19	\$ 2,033,276.90	\$ 1,497,042.85	\$ 26,731.12	\$ 2,162,354.49	\$ 41,306,148.71
<u>Analysis of Balance June 30, 2023</u>									
Cash and Cash Equivalents	\$ 4,301,300.49	\$ 22,044,044.67	\$ 7,623,583.00	\$ 1,565,431.27	\$ 2,033,276.90	\$ 1,000,000.00	\$ 26,731.12	\$ 2,162,354.49	\$ 40,756,721.94
Investments:									
F.H.L.M.C.				1,175.66					1,175.66
GNMA Remic				51,208.26		497,042.85			548,251.11
	\$ 4,301,300.49	\$ 22,044,044.67	\$ 7,623,583.00	\$ 1,617,815.19	\$ 2,033,276.90	\$ 1,497,042.85	\$ 26,731.12	\$ 2,162,354.49	\$ 41,306,148.71

EVESHAM 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 June 30, 2023

	<u>Original and Final Budget</u>	<u>2022-23 Actual</u>	<u>Favorable (Unfavorable)</u>
Anticipated Revenues:			
Operating Revenues:			
Service Charges	\$ 6,808,865.00	\$ 7,174,456.40	\$ 365,591.40
Connection Fees	60,000.00	202,306.88	142,306.88
Miscellaneous	600,000.00	847,698.43	247,698.43
Total Operating Revenues	7,468,865.00	8,224,461.71	755,596.71
Other Budget Revenues:			
Interest Income	100,000.00	468,062.92	368,062.92
Change in Fair Value of Investments		(10,603.54)	(10,603.54)
	100,000.00	457,459.38	357,459.38
Total Anticipated Revenues	7,568,865.00	8,681,921.09	1,113,056.09
Operating Appropriations:			
Administrative:			
Salaries and Wages	409,500.00	376,589.43	32,910.57
Fringe Benefits	111,525.00	97,545.75	13,979.25
Trustee Fees	20,000.00	10,517.90	9,482.10
Audit Fees	39,500.00	29,875.00	9,625.00
Legal Fees	90,000.00	30,968.37	59,031.63
Engineer Fees	20,000.00	16,598.64	3,401.36
Office Expenses	236,000.00	164,301.42	71,698.58
Cellular Lease/GIS/Insurance Consultant	52,000.00	21,022.50	30,977.50
Dues and Meetings	8,000.00	4,890.50	3,109.50
Education and Training	35,000.00	6,956.44	28,043.56
Total Administrative Expenses	1,021,525.00	759,265.95	262,259.05
Cost of Service:			
Salaries and Wages	1,582,000.00	1,287,210.38	294,789.62
Fringe Benefits	736,000.00	514,266.86	221,733.14
Electric and Utilities	550,000.00	415,742.38	134,257.62
Insurance	198,000.00	196,134.50	1,865.50
Vehicle Expense	59,000.00	25,647.90	33,352.10
Vehicle Repairs	28,000.00	21,417.73	6,582.27
Parts and Supplies	122,000.00	103,098.16	18,901.84
Chemicals	135,000.00	105,927.54	29,072.46
Repairs and Maintenance	104,000.00	64,749.65	39,250.35
Telephone and Communications	63,500.00	54,516.34	8,983.66
Well Testing	74,000.00	16,185.67	57,814.33
Bulk Water Purchases	1,700,000.00	1,667,228.79	32,771.21
Uniforms and Safety Equipment	35,500.00	24,684.56	10,815.44
Dues and Meetings	5,000.00	2,788.60	2,211.40

(Continued)

EVESHAM 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 June 30, 2023

	<u>Original and Final Budget</u>	<u>2022-23 Actual</u>	<u>Favorable (Unfavorable)</u>
Operating Appropriations (Cont'd):			
Cost of Service (Cont'd):			
Education and Training	\$ 30,000.00	\$ 12,739.90	\$ 17,260.10
State Fees	59,000.00	39,883.90	19,116.10
Public Information	13,000.00	9,225.11	3,774.89
One Call/Public Relations	10,000.00	4,300.83	5,699.17
Vehicle Lease Program	40,500.00		40,500.00
	<hr/>		
Total Cost of Service	5,544,500.00	4,565,748.80	978,751.20
	<hr/>		
Principal Payments on Debt Service in Lieu of Depreciation	373,200.00	48,196.68	325,003.32
	<hr/>		
	6,939,225.00	5,373,211.43	1,566,013.57
Non-Operating Appropriations:			
Interest on Bonds	629,640.00	629,649.60	(9.60)
Municipal Appropriation	347,000.00	347,000.00	
	<hr/>		
Total Operating, Principal Payments and Non-Operating Appropriations	7,915,865.00	6,349,861.03	1,566,003.97
	<hr/>		
Unrestricted Net Position to Balance Budget	(347,000.00)	-	(347,000.00)
	<hr/>		
Total Appropriations and Unrestricted Net Position	7,568,865.00	6,349,861.03	1,219,003.97
	<hr/>		
Excess Anticipated Revenues Over Operating, Principal Payments and Non-Operating Appropriations	\$ -	\$ 2,332,060.06	\$ 2,332,060.06
	<hr/>		
<u>Reconciliation to Operating Income</u>			
Excess Anticipated Revenues Over Operating, Principal Payments and Non-Operating Appropriations			\$ 2,332,060.06
Add:			
Bond Principal		\$ 48,196.68	
Bond Interest		629,649.60	
Related to Pensions (GASB 68)		342,814.15	
Municipal Appropriation		347,000.00	
		<hr/>	
			1,367,660.43
			<hr/>
			3,699,720.49
Less:			
Investment Income		457,459.38	
Depreciation		1,025,467.67	
Other Postretirement Benefits (GASB 75)		450,463.99	
Leases (GASB 87)		477,052.21	
Major Repairs and Replacements		367,422.07	
		<hr/>	
			2,777,865.32
			<hr/>
Operating Income (Schedule 2)			\$ 921,855.17
			<hr/>

EVESHAM 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 June 30, 2023

	Original and Final Budget	2022-23 Actual	Favorable (Unfavorable)
Anticipated Revenues:			
Operating Revenues:			
Service Charges	\$ 9,147,790.00	\$ 10,024,005.51	\$ 876,215.51
Connection Fees	100,000.00	871,997.25	771,997.25
Miscellaneous	38,000.00	54,595.80	16,595.80
Total Operating Revenues	9,285,790.00	10,950,598.56	1,664,808.56
Other Budget Revenues:			
Interest Income		883,359.71	883,359.71
Change in Fair Value of Investments		(19,692.30)	(19,692.30)
	-	863,667.41	863,667.41
Total Anticipated Revenues	9,285,790.00	11,814,265.97	2,528,475.97
Operating Appropriations:			
Administrative:			
Salaries and Wages	409,500.00	376,590.35	32,909.65
Fringe Benefits	94,025.00	84,791.19	9,233.81
Trustee Fees	45,000.00	33,675.10	11,324.90
Audit Fees	39,500.00	29,875.00	9,625.00
Legal Fees	90,000.00	30,968.36	59,031.64
Engineer Fees	58,000.00	43,953.73	14,046.27
Office Expenses	236,000.00	164,595.97	71,404.03
Cellular Lease/GIS/Insurance Consultant	37,000.00	13,022.50	23,977.50
Dues and Meetings	8,000.00	3,608.50	4,391.50
Education and Training	40,000.00	9,125.28	30,874.72
Total Administrative Expenses	1,057,025.00	790,205.98	266,819.02
Cost of Service:			
Salaries and Wages	2,459,000.00	2,024,463.40	434,536.60
Fringe Benefits	1,308,300.00	1,079,208.62	229,091.38
Electric and Utilities	850,000.00	664,254.35	185,745.65
Insurance	198,000.00	196,134.50	1,865.50
Vehicle Expense	117,000.00	62,822.12	54,177.88
Vehicle Repairs	56,500.00	33,081.92	23,418.08
Parts and Supplies	154,500.00	87,945.55	66,554.45
Chemicals	467,000.00	465,166.00	1,834.00
Repairs and Maintenance	203,000.00	86,216.19	116,783.81
Telephone and Communications	146,500.00	129,467.47	17,032.53
Wastewater Testing	40,000.00	24,237.63	15,762.37
Sludge Removal	547,000.00	515,867.78	31,132.22
Uniforms and Safety Equipment	80,500.00	54,919.09	25,580.91
Dues and Meetings	8,500.00	4,143.20	4,356.80

(Continued)

EVESHAM 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 June 30, 2023

	Original and Final Budget	2022-23 Actual	Favorable (Unfavorable)
Operating Appropriations (Cont'd):			
Cost of Service (Cont'd):			
Education and Training	\$ 37,500.00	\$ 19,849.61	\$ 17,650.39
State Fees	72,000.00	69,385.20	2,614.80
Public Information	33,500.00	23,778.69	9,721.31
One Call/Public Relations	7,500.00	4,657.47	2,842.53
Vehicle Lease Program	94,500.00		94,500.00
	<u>6,880,800.00</u>	<u>5,545,598.79</u>	<u>1,335,201.21</u>
Total Cost of Service			
Principal Payments on Debt Service in Lieu of Depreciation	1,187,760.00	2,012,473.28	(824,713.28)
	<u>9,125,585.00</u>	<u>8,348,278.05</u>	<u>777,306.95</u>
Non-Operating Appropriations:			
Interest on Bonds	160,205.00	160,191.16	13.84
Municipal Appropriation	456,000.00	456,000.00	
	<u>9,741,790.00</u>	<u>8,964,469.21</u>	<u>777,320.79</u>
Total Operating, Principal Payments and Non-Operating Appropriations			
Unrestricted Net Position to Balance Budget	(456,000.00)	-	(456,000.00)
	<u>9,285,790.00</u>	<u>8,964,469.21</u>	<u>321,320.79</u>
Total Appropriations and Unrestricted Net Position			
Excess in Anticipated Revenues Over Operating, Principal Payments and Non-Operating Appropriations	<u>\$ -</u>	<u>\$ 2,849,796.76</u>	<u>\$ 2,849,796.76</u>
<u>Reconciliation to Operating Income</u>			
Excess in Anticipated Revenues Over Operating, Principal Payments and Non-Operating Appropriations			\$ 2,849,796.76
Add:			
Bond Principal		\$ 2,012,473.28	
Bond Interest		160,191.16	
Related to Pensions (GASB 68)		636,654.85	
Municipal Appropriation		<u>456,000.00</u>	
			<u>3,265,319.29</u>
			6,115,116.05
Less:			
Investment Income		863,667.41	
Depreciation		2,741,122.55	
Other Postretirement Benefits (GASB 75)		836,575.98	
Major Repairs and Replacements		<u>682,355.27</u>	
			<u>5,123,721.21</u>
Operating Income (Schedule 2)			<u>\$ 991,394.84</u>

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Consumer Accounts Receivable
 For the Fiscal Year Ended June 30, 2023

	<u>Water</u>	<u>Sewer</u>	
Balance July 1, 2022	\$ 694,138.52		\$ 1,059,072.90
Rental Charges	<u>7,174,456.40</u>		<u>10,024,005.51</u>
	7,868,594.92		11,083,078.41
Less:			
Collections	\$ 7,237,283.34	\$ 10,125,197.41	
Prepaid Applied	<u>34,338.70</u>	<u>63,771.88</u>	
	<u>7,271,622.04</u>		<u>10,188,969.29</u>
Balance June 30, 2023	<u><u>\$ 596,972.88</u></u>		<u><u>\$ 894,109.12</u></u>

Schedule 6

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Connection Fees Receivable
 For the Fiscal Year Ended June 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
2022-23 Charges	\$ 202,306.88	\$ 871,997.25	\$ 1,074,304.13
Less:			
Cash Receipts	<u>\$ 202,306.88</u>	<u>\$ 871,997.25</u>	<u>\$ 1,074,304.13</u>

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Miscellaneous Charges Receivable
 For the Fiscal Year Ended June 30, 2023

	<u>Balance</u> <u>July 1, 2022</u>	<u>2022-2023</u> <u>Charges</u>	<u>Cash</u> <u>Receipts</u>	<u>Prepayments</u> <u>Applied</u>	<u>Balance</u> <u>June 30, 2023</u>
Water Meter Charges		\$ 22,443.23	\$ 22,443.23		
Filing, Review and Application Fees		420.00	420.00		
AT&T Rental Agreement		233,513.91	201,126.48	\$ 32,387.43	
Sprint Rental Agreement		95,732.17	95,732.17		
Verizon Rental Agreement		127,071.63	127,071.63		
T-Mobile Rental Agreement		300,585.39	300,585.39		
Clearwire Rental Agreement		105,312.60	105,312.60		
Dish Rental Agreement		5,500.00	2,500.00		\$ 3,000.00
Other Miscellaneous		3,615.10	3,615.10		
Sale of Scrap Metal		3,552.63	3,552.63		
Other Miscellaneous		2,836.00	2,836.00		
Insurance Dividends		1,711.57	1,711.57		
	<u>\$ -</u>	<u>\$ 902,294.23</u>	<u>\$ 866,906.80</u>	<u>\$ 32,387.43</u>	<u>\$ 3,000.00</u>
Recap:					
Water	\$ -	\$ 847,698.43	\$ 812,311.00	\$ 32,387.43	\$ 3,000.00
Sewer		54,595.80	54,595.80		
	<u>\$ -</u>	<u>\$ 902,294.23</u>	<u>\$ 866,906.80</u>	<u>\$ 32,387.43</u>	<u>\$ 3,000.00</u>

EVESHAM MUNICIPAL UTILITIES AUTHORITY

Schedule of Accrued Interest Receivable

For the Fiscal Year Ended June 30, 2023

	Balance <u>July 1, 2022</u>	Interest <u>Income</u>	<u>Received</u>	Balance <u>June 30, 2023</u>
Unrestricted:				
Revenue/Operating Accounts		\$ 159,348.85	\$ 159,348.85	
General Account		668,032.18	668,032.18	
	<u>\$ -</u>	<u>827,381.03</u>	<u>827,381.03</u>	<u>\$ -</u>
Restricted:				
Bond Reserve Account	609.26	54,841.35	55,232.84	217.77
Bond Service Account	34,238.37	117,259.45	117,199.19	34,298.63
Construction Fund		295,422.45	295,422.45	
Renewal and Replacement Account	2,083.33	56,518.35	56,518.35	2,083.33
	<u>36,930.96</u>	<u>524,041.60</u>	<u>524,372.83</u>	<u>36,599.73</u>
	<u>\$ 36,930.96</u>	<u>\$ 1,351,422.63</u>	<u>\$ 1,351,753.86</u>	<u>\$ 36,599.73</u>
Recap:				
Water	\$ 12,925.85	\$ 468,062.92	\$ 473,113.85	\$ 7,874.92
Sewer	24,005.11	883,359.71	878,640.01	28,724.81
	<u>\$ 36,930.96</u>	<u>\$ 1,351,422.63</u>	<u>\$ 1,351,753.86</u>	<u>\$ 36,599.73</u>

Schedule 9

EVESHAM MUNICIPAL UTILITIES AUTHORITY

Schedule of Prepaid Expenses

For the Fiscal Year Ended June 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Balance July 1, 2022	\$ 383,943.82	\$ 676,604.88	\$ 1,060,548.70
Add:			
Disbursements Fiscal Year 2023	308,167.86	489,336.43	797,504.29
	692,111.68	1,165,941.31	1,858,052.99
Less:			
Charged to Operations Fiscal Year 2023	292,463.16	463,150.01	755,613.17
Balance June 30, 2023	<u>\$ 399,648.52</u>	<u>\$ 702,791.30</u>	<u>\$ 1,102,439.82</u>

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Capital Assets -- Completed
 For the Fiscal Year Ended June 30, 2023

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Useful</u> <u>Life</u>
Water:					
Land and Improvements	\$ 187,079.00			\$ 187,079.00	
Buildings and Improvements	10,602,567.28	\$ 2,327,814.68		12,930,381.96	40 Yrs.
Infrastructure	56,433,652.03	176,394.60		56,610,046.63	40 Yrs.
Fixed Equipment	2,687,092.22		\$ 3,323.10	2,683,769.12	15 Yrs.
Equipment	912,284.28	100,042.57	2,691.90	1,009,634.95	5 to 15 Yrs.
Vehicles	1,604,884.93			1,604,884.93	7 Yrs.
	<u>72,427,559.74</u>	<u>2,604,251.85</u>	<u>6,015.00</u>	<u>75,025,796.59</u>	
Less: Accumulated Depreciation	<u>54,738,385.13</u>	<u>1,025,467.67</u>	<u>5,686.61</u>	<u>55,758,166.20</u>	
	<u>\$ 17,689,174.61</u>	<u>\$ 1,578,784.18</u>	<u>\$ 328.40</u>	<u>\$ 19,267,630.40</u>	
Sewer:					
Land and Improvements	\$ 5,145,239.00			\$ 5,145,239.00	
Buildings and Improvements	31,002,375.75	\$ 260,281.74		31,262,657.49	40 Yrs.
Infrastructure	72,350,270.25	117,608.00		72,467,878.25	40 Yrs.
Fixed Equipment	15,996,145.49			15,996,145.49	15 Yrs.
Equipment	1,849,869.08	201,506.27	\$ 15,167.94	2,036,207.41	5 to 15 Yrs.
Vehicles	1,963,150.17			1,963,150.17	7 Yrs.
	<u>128,307,049.73</u>	<u>\$579,396.01</u>	<u>15,167.94</u>	<u>128,871,277.80</u>	
Less: Accumulated Depreciation	<u>94,230,244.24</u>	<u>2,741,122.55</u>	<u>14,702.81</u>	<u>96,956,663.99</u>	
	<u>\$ 34,076,805.49</u>	<u>\$ (2,161,726.54)</u>	<u>\$ 465.13</u>	<u>\$ 31,914,613.82</u>	
Recap:					
Total Capital Assets	\$ 200,734,609.47	\$ 3,183,647.86	\$ 21,182.94	\$ 203,897,074.39	
Less:					
Accumulated Depreciation	<u>148,968,629.37</u>	<u>3,766,590.22</u>	<u>20,389.41</u>	<u>152,714,830.18</u>	
	<u>\$ 51,765,980.10</u>	<u>\$ (582,942.36)</u>	<u>\$ 793.53</u>	<u>\$ 51,182,244.21</u>	
Cash Disbursed		\$ 301,548.84			
Transfer from Construction in Progress		2,588,096.42			
Capital Contributions		<u>294,002.60</u>			
		<u>\$ 3,183,647.86</u>			

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Capital Assets -- Construction in Progress
 For the Fiscal Year Ended June 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Balance July 1, 2022	\$ 2,209,026.76	\$ 650,158.59	\$ 2,859,185.35
Increased by:			
Expensed in Prior Years		34,987.35	34,987.35
Cash Disbursements:			
General Fund	3,285.00	995,510.21	998,795.21
Renewal and Replacement	626,475.92		626,475.92
Construction Fund	3,857,272.93		3,857,272.93
	6,696,060.61	1,680,656.15	8,376,716.76
Decreased by:			
Transferred to Capital Assets	2,327,814.68	260,281.74	2,588,096.42
Canceled	172.62		172.62
	2,327,987.30	260,281.74	2,588,269.04
Balance June 30, 2023	<u>\$ 4,368,073.31</u>	<u>\$ 1,420,374.41</u>	<u>\$ 5,788,447.72</u>

Analysis of Balance June 30, 2023

Elmwood WWTP Storage Building		\$ 201,176.62	\$ 201,176.62
Rt. 70 Water Main	\$ 106,272.50		106,272.50
Rt. 70 Sewer Rehabilitation		623,389.67	623,389.67
South Side Elevated Tank Design	36,580.10		36,580.10
Heritage Village WM Replacement - Phase 2	3,325,915.72		3,325,915.72
Heritage Village WM Replacement - Phase 3	197,345.06		197,345.06
Kings Grant Effluent Force Main Replacement		71,000.00	71,000.00
Well 6 Building Repairs	701,959.93		701,959.93
Heritage Village Sewer Rehab - Phase 2		339,467.44	339,467.44
SCADA Security System		97,461.80	97,461.80
Elmwood UV Disinfection System		87,878.88	87,878.88
	<u>\$ 4,368,073.31</u>	<u>\$ 1,420,374.41</u>	<u>\$ 5,788,447.72</u>

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Accrued Interest on Revenue Bonds and Loans Payable
 For the Fiscal Year Ended June 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Balance July 1, 2022	\$ 313,508.14	\$ 115,159.84	\$ 428,667.98
Increased by:			
Interest Charges Fiscal Year 2023 Budget	629,649.60	160,191.16	789,840.76
Amortization of Premium on Bonds	(51,774.37)	(8,028.47)	(59,802.84)
Total Interest Expense	577,875.23	152,162.69	730,037.92
	891,383.37	267,322.53	1,158,705.90
Decreased by:			
Interest Paid	628,337.74	195,250.00	823,587.74
Amortization of Premium on Bonds	(51,774.37)	(8,028.47)	(59,802.84)
	576,563.37	187,221.53	763,784.90
Balance June 30, 2023	\$ 314,820.00	\$ 80,101.00	\$ 394,921.00

Schedule 13

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Payroll Deductions Payable
 For the Fiscal Year Ended June 30, 2023

Balance July 1, 2022	\$ 515.96
Receipts:	
Payroll Deductions Payable	1,403,023.44
	1,403,539.40
Disbursements:	
Checks Drawn to Payroll Agencies	1,403,319.18
Balance June 30, 2023	\$ 220.22
<u>Analysis of Balance June 30, 2023</u>	
Pension	\$ 220.22

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Bonds
 For the Fiscal Year Ended June 30, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2023</u>
			<u>Outstanding June 30, 2023</u>	<u>Date</u>					
2011 Revenue Bonds (Series A)	11/29/2011	\$ 3,655,000.00	7-1-2023	\$ 100,000.00	3.375%	\$ 1,390,000.00		\$ 945,000.00	\$ 445,000.00
			7-1-2024	100,000.00	3.500%				
			7-1-2025	100,000.00	3.600%				
			7-1-2026	145,000.00	3.750%				
2019 Revenue Bonds (Series A)	10/30/2019	16,230,000.00	7-1-2023	325,000.00	5.00%				
			7-1-2024	345,000.00	5.00%				
			7-1-2025	360,000.00	5.00%				
			7-1-2026	380,000.00	5.00%				
			7-1-2027	400,000.00	5.00%				
			7-1-2028	420,000.00	5.00%				
			7-1-2029	440,000.00	5.00%				
			7-1-2030	465,000.00	5.00%				
			7-1-2031	485,000.00	4.00%				
			7-1-2032	505,000.00	4.00%				
			7-1-2033	525,000.00	4.00%				
			7-1-2034	545,000.00	4.00%				
			7-1-2035	570,000.00	4.00%				
			7-1-2036	590,000.00	4.00%				
			7-1-2037	615,000.00	4.00%				
			7-1-2038	640,000.00	4.00%				
			7-1-2039	670,000.00	4.00%				
			7-1-2040	690,000.00	3.00%				
			7-1-2041	715,000.00	3.00%				
			7-1-2042	735,000.00	3.00%				
			7-1-2043	755,000.00	3.00%				
			7-1-2044	780,000.00	3.00%				
			7-1-2045	805,000.00	3.00%				
			7-1-2046	830,000.00	3.00%				
7-1-2047	855,000.00	3.00%							
7-1-2048	880,000.00	3.00%							
7-1-2049	905,000.00	3.00%	16,230,000.00	16,230,000.00					
						<u>\$ 17,620,000.00</u>	<u>\$ -</u>	<u>\$ 945,000.00</u>	16,675,000.00
Add: Premium on Bonds									<u>1,209,075.43</u>
									<u>\$ 17,884,075.43</u>

(Continued)

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of Revenue Bonds
 For the Fiscal Year Ended June 30, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding June 30, 2023</u>		<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
			Revenue Bonds:						
				Sewer		\$ 1,390,000.00		\$ 945,000.00	\$ 445,000.00
				Water		16,230,000.00			16,230,000.00
						<u>17,620,000.00</u>	\$ -	<u>945,000.00</u>	<u>16,675,000.00</u>
			Premium on Bonds:						
				Sewer		26,370.13		6,592.53	19,777.60
				Water		1,236,243.80		46,945.97	1,189,297.83
						<u>1,262,613.93</u>	-	<u>53,538.50</u>	<u>1,209,075.43</u>
						<u>\$ 18,882,613.93</u>	\$ -	<u>\$ 998,538.50</u>	<u>\$ 17,884,075.43</u>

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of New Jersey Environmental Infrastructure Loans Payable
 For the Fiscal Year Ended June 30, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2023</u>
			<u>Outstanding June 30, 2023</u>	<u>Date</u>					
2006A Fund Loan Agreement	11-7-06	\$ 5,699,574.00	7-1-2023	\$ 286,999.42	N/A				
			7-1-2024	285,218.64	N/A				
			7-1-2025	286,225.69	N/A				
			7-1-2026	287,634.14	N/A				
						\$ 1,433,335.21	\$ 287,257.32	\$ 1,146,077.89	
2006A Trust Loan Agreement	11-7-06	5,695,000.00	7-1-2023	375,000.00	4.250%				
			7-1-2024	390,000.00	5.000%				
			7-1-2025	410,000.00	4.250%				
			7-1-2026	430,000.00	4.250%				
						1,965,000.00	360,000.00	1,605,000.00	
2008A Fund Loan Agreement	11-6-08	1,307,340.00	7-1-2023	67,063.86	N/A				
			7-1-2024	67,655.37	N/A				
			7-1-2025	68,239.21	N/A				
			7-1-2026	17,426.69	N/A				
						286,911.25	66,526.12	220,385.13	
2008A Trust Loan Agreement	11-6-08	1,325,000.00	7-1-2023	80,000.00	5.500%				
			7-1-2024	85,000.00	5.000%				
			7-1-2025	90,000.00	5.000%				
			7-1-2026	95,000.00	5.000%				
			7-1-2027	100,000.00	5.000%				
			7-1-2028	105,000.00	5.000%				
						635,000.00	80,000.00	555,000.00	
2010A Fund Loan Agreement	11-5-09	276,863.00	7-1-2023	14,077.77	N/A				
			7-1-2024	14,077.77	N/A				
			7-1-2025	14,077.77	N/A				
			7-1-2026	14,077.77	N/A				
			7-1-2027	14,077.77	N/A				
			7-1-2028	14,077.77	N/A				
			7-1-2029	9,385.37	N/A				
						107,929.76	14,077.77	93,851.99	

(Continued)

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of New Jersey Environmental Infrastructure Loans Payable
 For the Fiscal Year Ended June 30, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2022	Issued	Paid	Balance June 30, 2023
			Outstanding June 30, 2023	Date					
2010A Trust Loan Agreement	11-5-09	\$ 270,000.00	7-1-2023	\$ 15,000.00	4.000%				
			7-1-2024	15,000.00	4.000%				
			7-1-2025	15,000.00	4.000%				
			7-1-2026	20,000.00	3.500%				
			7-1-2027	20,000.00	4.000%				
			7-1-2028	20,000.00	4.000%				
			7-1-2029	15,000.00	4.000%				
					\$ 135,000.00		\$ 15,000.00	\$ 120,000.00	
2014 A&B Fund Loan Agreement	5-21-14	3,222,073.00	7-1-2023	163,834.21	N/A				
			7-1-2024	163,834.21	N/A				
			7-1-2025	163,834.21	N/A				
			7-1-2026	163,834.21	N/A				
			7-1-2027	163,834.21	N/A				
			7-1-2028	163,834.21	N/A				
			7-1-2029	163,834.21	N/A				
			7-1-2030	163,834.21	N/A				
			7-1-2031	163,834.21	N/A				
			7-1-2032	163,834.21	N/A				
			7-1-2033	109,223.01	N/A				
					1,911,399.32		163,834.21	1,747,565.11	
2014 A&B Trust Loan Agreement	5-21-14	1,050,000.00	7-1-2023	55,000.00	5.000%				
			7-1-2024	55,000.00	5.000%				
			7-1-2025	60,000.00	3.000%				
			7-1-2026	60,000.00	3.000%				
			7-1-2027	60,000.00	3.000%				
			7-1-2028	65,000.00	3.000%				
			7-1-2029	65,000.00	3.000%				
			7-1-2030	70,000.00	3.000%				
			7-1-2031	70,000.00	3.000%				
			7-1-2032	70,000.00	3.125%				
7-1-2033	75,000.00	3.250%							
					755,000.00		50,000.00	705,000.00	

(Continued)

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of New Jersey Environmental Infrastructure Loans Payable
 For the Fiscal Year Ended June 30, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
2021 A-1 Fund Loan Agreement	6-28-21	\$ 616,410.00	7-1-2023	\$ 20,777.86	N/A				
			7-1-2024	20,777.86	N/A				
			7-1-2025	20,777.86	N/A				
			7-1-2026	20,777.86	N/A				
			7-1-2027	20,777.86	N/A				
			7-1-2028	20,777.86	N/A				
			7-1-2029	20,777.86	N/A				
			7-1-2030	20,777.86	N/A				
			7-1-2031	20,777.86	N/A				
			7-1-2032	20,777.86	N/A				
			7-1-2033	20,777.86	N/A				
			7-1-2034	20,777.86	N/A				
			7-1-2035	20,777.86	N/A				
			7-1-2036	20,777.86	N/A				
			7-1-2037	20,777.86	N/A				
			7-1-2038	20,777.86	N/A				
			7-1-2039	20,777.86	N/A				
			7-1-2040	20,777.86	N/A				
			7-1-2041	20,777.86	N/A				
			7-1-2042	20,777.86	N/A				
			7-1-2043	20,777.86	N/A				
7-1-2044	20,777.86	N/A							
7-1-2045	20,777.86	N/A							
7-1-2046	20,777.86	N/A							
7-1-2047	20,777.86	N/A							
7-1-2048	20,777.86	N/A							
7-1-2049	20,777.86	N/A							
7-1-2050	13,852.06	N/A	\$ 595,632.14	\$ 20,777.86	\$ 574,854.28				

(Continued)

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of New Jersey Environmental Infrastructure Loans Payable
 For the Fiscal Year Ended June 30, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
2021 A-1 Fund Trust Agreement	6-28-21	\$ 595,000.00	7-1-2023	\$ 10,000.00	5.000%				
			7-1-2024	15,000.00	5.000%				
			7-1-2025	15,000.00	5.000%				
			7-1-2026	15,000.00	5.000%				
			7-1-2027	15,000.00	5.000%				
			7-1-2028	15,000.00	5.000%				
			7-1-2029	15,000.00	5.000%				
			7-1-2030	15,000.00	4.000%				
			7-1-2031	20,000.00	3.000%				
			7-1-2032	20,000.00	3.000%				
			7-1-2033	20,000.00	3.000%				
			7-1-2034	20,000.00	3.000%				
			7-1-2035	20,000.00	3.000%				
			7-1-2036	20,000.00	2.000%				
			7-1-2037	20,000.00	3.000%				
			7-1-2038	20,000.00	3.000%				
			7-1-2039	25,000.00	2.000%				
			7-1-2040	25,000.00	2.000%				
			7-1-2041	25,000.00	2.000%				
			7-1-2042	25,000.00	2.000%				
			7-1-2043	25,000.00	2.000%				
			7-1-2044	25,000.00	2.000%				
			7-1-2045	25,000.00	2.000%				
7-1-2046	25,000.00	2.000%							
7-1-2047	25,000.00	2.250%							
7-1-2048	25,000.00	2.250%							
7-1-2049	30,000.00	2.250%							
7-1-2050	30,000.00	2.250%	\$ 595,000.00	\$ 10,000.00	\$ 585,000.00				
2021 A-1 Fund Loan Agreement	6-28-21	94,835.00	7-1-2023	3,196.68	N/A				
			7-1-2024	3,196.68	N/A				
			7-1-2025	3,196.68	N/A				
			7-1-2026	3,196.68	N/A				
			7-1-2027	3,196.68	N/A				

(Continued)

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of New Jersey Environmental Infrastructure Loans Payable
 For the Fiscal Year Ended June 30, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2022	Issued	Paid	Balance June 30, 2023
			Outstanding June 30, 2023	Amount					
2021 A-1 Fund Loan Agreement (Cont'd)	6-28-21	\$ 94,835.00	7-1-2028	\$ 3,196.68	N/A				
			7-1-2029	3,196.68	N/A				
			7-1-2030	3,196.68	N/A				
			7-1-2031	3,196.68	N/A				
			7-1-2032	3,196.68	N/A				
			7-1-2033	3,196.68	N/A				
			7-1-2034	3,196.68	N/A				
			7-1-2035	3,196.68	N/A				
			7-1-2036	3,196.68	N/A				
			7-1-2037	3,196.68	N/A				
			7-1-2038	3,196.68	N/A				
			7-1-2039	3,196.68	N/A				
			7-1-2040	3,196.68	N/A				
			7-1-2041	3,196.68	N/A				
			7-1-2042	3,196.68	N/A				
			7-1-2043	3,196.68	N/A				
			7-1-2044	3,196.68	N/A				
			7-1-2045	3,196.68	N/A				
			7-1-2046	3,196.68	N/A				
			7-1-2047	3,196.68	N/A				
7-1-2048	3,196.68	N/A							
7-1-2049	3,196.68	N/A							
7-1-2050	2,131.28	N/A	\$ 91,638.32	\$ 3,196.68	\$ 88,441.64				
2021 A-1 Fund Trust Agreement	6-28-21	1,690,000.00	7-1-2023	45,000.00	5.000%				
			7-1-2024	45,000.00	5.000%				
			7-1-2025	45,000.00	5.000%				
			7-1-2026	50,000.00	5.000%				
			7-1-2027	50,000.00	5.000%				
			7-1-2028	55,000.00	5.000%				
			7-1-2029	55,000.00	5.000%				
			7-1-2030	55,000.00	4.000%				
			7-1-2031	55,000.00	3.000%				
			7-1-2032	55,000.00	3.000%				
7-1-2033	60,000.00	3.000%							

(Continued)

EVESHAM MUNICIPAL UTILITIES AUTHORITY
 Schedule of New Jersey Environmental Infrastructure Loans Payable
 For the Fiscal Year Ended June 30, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2022	Issued	Paid	Balance June 30, 2023
			Outstanding June 30, 2023 Date	Amount					
2021 A-1 Fund Trust Agreement (Cont'd)	6-28-21	\$ 1,690,000.00	7-1-2034	\$ 60,000.00	3.000%				
			7-1-2035	60,000.00	3.000%				
			7-1-2036	60,000.00	2.000%				
			7-1-2037	60,000.00	3.000%				
			7-1-2038	60,000.00	3.000%				
			7-1-2039	65,000.00	2.000%				
			7-1-2040	65,000.00	2.000%				
			7-1-2041	65,000.00	2.000%				
			7-1-2042	65,000.00	2.000%				
			7-1-2043	65,000.00	2.000%				
			7-1-2044	65,000.00	2.000%				
			7-1-2045	65,000.00	2.000%				
			7-1-2046	65,000.00	2.000%				
			7-1-2047	65,000.00	2.250%				
			7-1-2048	65,000.00	2.250%				
			7-1-2049	65,000.00	2.250%				
			7-1-2050	60,000.00	2.250%				
						\$ 1,690,000.00	\$ 45,000.00	\$ 1,645,000.00	
						\$ 10,201,846.00	\$ -	\$ 1,115,669.96	9,086,176.04
Add: Premium on Bonds									169,137.32
									\$ 9,255,313.36
NJ I-Bank Bonds and Loans:									
Sewer						\$ 8,420,207.68	\$ -	\$ 1,067,473.28	\$ 7,352,734.40
Water						1,781,638.32		48,196.68	1,733,441.64
						10,201,846.00	-	1,115,669.96	9,086,176.04
Premium on Bonds:									
Sewer						40,206.41		1,435.94	38,770.47
Water						135,195.25		4,828.40	130,366.85
						175,401.66	-	6,264.34	169,137.32
						\$ 10,377,247.66	\$ -	\$ 1,121,934.30	\$ 9,255,313.36

EVESHAM MUNICIPAL UTILITIES AUTHORITY

PART II

SCHEDULE OF FINDINGS & RECOMMENDATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EVESHAM MUNICIPAL UTILITIES AUTHORITY
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2023

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 by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

None.

EVESHAM 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 Regulation, Division of Local Governmental Services, Department of Community Affairs, State of New Jersey.

FINANCIAL STATEMENT FINDINGS

None.

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APPRECIATION

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants